



# Attachments

Audit And Risk Management Committee Meeting

Tuesday, 9 May 2023



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# Agenda Item 5.1.1 - Attachment 1

Minutes of the Audit And Risk Management Committee  
Meeting held 4 April 2023





## Published Minutes

Audit And Risk Management Committee Meeting

Tuesday, 4 April 2023

Date:	Tuesday 4 April 2023
Time:	9:00am
Location:	Ashburton Hall, Ashburton Avenue, Paraburdoo
Distribution Date:	Wednesday 05 April 2023



**Shire of Ashburton**  
**Audit And Risk Management Committee Meeting**

The Chief Executive Officer recommends the endorsement of these minutes at the next Audit And Risk Management Committee Meeting.

K Donohoe  
Chief Executive Officer  
6 April 2023

These minutes were confirmed by Council as a true and accurate record of proceedings at the Audit And Risk Management Committee Meeting held on Tuesday, 4 April 2023.

Presiding Member \_\_\_\_\_

Date \_\_\_\_\_

**Disclaimer**

*The Shire of Ashburton warns anyone who has an application lodged with Council must obtain, and should only rely on, written confirmation of the outcomes of the application following the Council meeting, and any conditions attaching to the decision made by Council in respect of the application. No responsibility whatsoever is implied, or accepted, by the Shire of Ashburton for any act, omission, statement, or intimation occurring during a Council meeting.*

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## 1 Declaration Of Opening

The Presiding Member declared the meeting open at 9:00am.

### 1.1 Acknowledgement Of Country

As representatives of the Shire of Ashburton Council, we respectfully acknowledge the local Indigenous people, the traditional custodians of this land where we are meeting upon today and pay our respects to them and all their elders both past, present and emerging.

## 2 Announcement Of Visitors

Nil

## 3 Attendance

### 3.1 Present

Elected Members:	Cr K White Cr M Lynch Cr R De Pledge Cr L Rumble JP Cr A Sullivan Cr T Mladenovic	Onslow Ward (Presiding Member)  Tom Price Ward Ashburton Ward Paraburdoo Ward Paraburdoo Ward Tom Price Ward
Employees:	K Donohoe C McGurk T Dayman R Miller A Lennon J Bray A Furfaro N Cochrane D Weerasingha	Chief Executive Officer Director Projects and Procurement Acting Director Corporate Services Director Infrastructure Services Manager Media and Communications Manager Governance Governance Officer Council Support Officer Internal Auditor
Guests:	Nil	
Members of Public:	There were no members of the public in attendance at the commencement of the meeting.	

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Members of media:	There were no members of the media in attendance at the commencement of the meeting.
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**3.2 Apologies**

Cr A Smith                Tom Price Ward  
Cr M Gallanagh        Pannawonica Ward  
Cr J Richardson        Tableland Ward

**3.3 Approved Leave Of Absence**

Nil

**4 Declaration By Members****4.1 Due Consideration By Councillors To The Agenda**

Councillors noted they have given due consideration to all matters contained in this agenda.

**4.2 Declaration Of Interest**

A member who has an Impartiality, Proximity or Financial interest in any matter to be discussed at this meeting must disclose the nature of the interest either in a written notice, given to the Chief Executive Officer, prior to the meeting, or at the meeting immediately before the matter is discussed.

A member who makes a disclosure in respect to an interest must not preside at the part of the meeting which deals with the matter, or participate in, or be present during any discussion or decision-making process relative to the matter, unless the disclosing member is permitted to do so under Section 5.68 or Section 5.69 of the *Local Government Act 1995*.

The following declarations of interest are disclosed –

Nil

## **5 Confirmation Of Minutes**

### **5.1 Confirmation Of Previous Minutes**

#### **5.1.1 Minutes Of The Audit And Risk Management Committee Meeting Held On 14 February 2023**

##### **Committee Decision**

**Moved** Cr M Lynch

**Seconded** Cr L Rumble JP

**That the Minutes of the Audit And Risk Management Committee Meeting held 14 February 2023 (Item 5.1.1 Attachment 1) be confirmed as a true and accurate record.**

**Carried 6/0**

## 6 Public Agenda Items

### 6.1 Audit Log Status Update

<b>File Reference</b>	CM52
<b>Applicant or Proponent(s)</b>	Not Applicable
<b>Author</b>	D Weerasingha, Internal Auditor
<b>Authorising Officer</b>	T Dayman, Acting Director Corporate Services
<b>Previous Meeting Reference</b>	Ordinary Council Meeting 14 February 2023 - Item 6.1 – 020/2023
<b>Disclosure(s) of interest</b>	Author – Nil
	Authorising Officer – Nil
<b>Attachments</b>	1. Internal Audit Log 30 March 2023

#### Report Purpose

Council is required to review the Audit Log actions.

The purpose of this report is to provide Council oversight of the implementation of actions resulting from internal audits and external reviews.

Council is requested to receive the Audit Log status updates.

#### Background

The Chief Executive Officer (CEO) is required to ensure adequate systems and processes are established for the effective management and control of the Shire.

Internal audits and external reviews are examples of methods Council may use to ensure sound management of the Shire is occurring.

Following the finalisation of an internal audit and/or external review, recommendations are included in the Audit Log to ensure progress monitored and recorded.

#### Comments

The Shire of Ashburton has previously undertaken internal audits and external reviews of financial and other processes and systems.

This report provides an update on the implementation of the recommendations from those audits and reviews.

A progress update is provided to the Audit and Risk Management Committee to ensure oversight of the implementation of recommendations as a result of an internal audit and/or external review. Full details of the outstanding actions as shown in Attachment 1.

#### Internal Audits

A summary of the progress on the implementation of internal audit recommendations is provided in the following table.

## Audit And Risk Management Committee Meeting Minutes

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Internal Audit	Total Actions	Not Started		In Progress		Completed	
		30-Mar	14-Feb	30-Mar	14-Feb	30-Mar	14-Feb
Review of 2019 FMR	4	0	0	4	4	0	0
Procurement Systems and Controls	23	2	2	8	12	13	9
Risk Management Practices	19	3	5	12	10	4	4
Grants Management	11	10	10	0	1	1	0
Records Management 21	15	3	6	7	10	5	5
Records Management 22	32	12	12	14	14	6	6
Cybersecurity	23	8	9	14	14	1	0
Business Continuity	26	23	25	1	1	2	0
Building Permits	26	14	20	5	1	7	5
Contract Management	17	0	6	7	8	10	3
Fraud and Corruption	27	19	23	4	1	4	3
Payroll and HR	8	5	0	3	0	0	0
<b>Total</b>	<b>231</b>	<b>99</b>	<b>126</b>	<b>79</b>	<b>70</b>	<b>53</b>	<b>35</b>

18 recommendations have been completed since last reported to the Audit and Risk Management Committee on 14 February 2023.

#### Financial Audits

A summary of the progress on the implementation of financial audit recommendations is provided in the following table.

Financial Year Ended	Total Actions	Not Started		In Progress		Completed	
		30-Mar	14-Feb	30-Mar	14-Feb	30-Mar	14-Feb
30 June 2021	Not received	N/A	N/A	N/A	N/A	N/A	N/A
30 June 2020	5	2	4	1	0	2	1
30 June 2019	4	0	2	1	0	3	2
30 June 2018	1	0	1	0	0	1	0
30 June 2017	1	0	1	0	0	1	0
30 June 2016	1	0	1	0	0	1	0
<b>Total</b>	<b>12</b>	<b>2</b>	<b>9</b>	<b>2</b>	<b>0</b>	<b>8</b>	<b>3</b>

Five recommendations have been completed since last reported to the Audit and Risk Management Committee on 14 February 2023.

Resourcing issues have prevented satisfactory progress of addressing the recommendations from these audits and reviews from occurring.

#### Consultation

The relevant members of the Executive Leadership Team and Middle Management Group were consulted on the progress of the outstanding actions on the Audit Log.

Moore Australia has been provided updates to the Audit Log and verified evidence provided to close actions.



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**Strategic Community Plan**

Shire of Ashburton Strategic Community Plan 2022-2032

Strategic Objective	4. Performance - We will lead the organisation, and create the culture, to deliver demonstrated performance excellence to the community.
Strategic Outcome	4.6 Visionary community leadership with sound, diligent and accountable governance
Strategy	3 Deliver best practice governance and risk management.

**Council Policy**

Nil

**Financial Implications**Current Financial Year

Nil

Future Financial Year(s)

Nil

**Legislative Implications**

In accordance with regulation 17 of the *Local Government (Audit) Regulations 1996*, the CEO is to review the appropriate and effectiveness of a local government's systems and procedures in relation to:

- Risk management,
- Internal control, and
- Legislative compliance.

The CEO is to report to the Audit and Risk Management Committee, the results of each review.

**Risk Management**

Risk has been assessed against the Shire of Ashburton Risk Management Framework.

Theme	Risk	Likelihood	Consequence	Inherent Risk Rating	Risk Treatment
Compliance	Compliance failures if areas identified for improvement are not addressed.	Possible (3)	Major (4)	High (10-16)	Implement process improvements as a result of internal audits/external reviews and provide regular progress reporting to the Audit and Risk Management Committee.

Based on the inherent risk rating and risk treatments, the residual risk to the Shire is considered to be high.

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**Voting Requirements**

Simple Majority

**Officer Recommendation**

That with respect to Audit Log Status Update, the Audit and Risk Management Committee recommends that Council, receives the updated Audit Log.

**Committee Decision****Moved****Cr T Mladenovic****Seconded****Cr M Lynch**

**That with respect to Audit Log Status Update, the Audit and Risk Management Committee recommends that Council, receives the updated Audit Log.**

**Carried 6/0**

**6.2 Tom Price Administration Building - New Development**

<b>File Reference</b>	CP107
<b>Applicant or Proponent(s)</b>	Not Applicable
<b>Author</b>	C McGurk, Director Community Development
<b>Authorising Officer</b>	C McGurk, Director Community Development
<b>Previous Meeting Reference</b>	Nil
<b>Disclosure(s) of interest</b>	Author – Nil
	Authorising Officer – Nil
<b>Attachments</b>	1. Tom Price Administration Centre Concept 2. Tom Price Administration Centre Cost Estimate

**Report Purpose**

Council is requested to approve the proposed development of a new Tom Price Administration Building at Lot 246 and 247 Poinciana Street, Tom Price for the 2023/2024 Financial Year via a loan request and authorise the advertising of a tender requesting submissions to construct this development.

**Background**

Council has occupied the current Tom Price Administration facility since 1983, and it can be clearly seen this building is no longer fit for purpose and cannot provide the function of a contemporary building nor can it accommodate the size of Council's office-based workforce.

Council has outgrown its main Administration building located in Tom Price with staff spread across a range of sites within the Tom Price townsite. As a response, Council requested the Chief Executive Officer (CEO) to commence planning for a fit for purpose Tom Price Administration Centre to meet the future needs of Council.

Council adopted the 2022-2023 Long-Term Financial Plan (LTFP) which was presented to Council for consideration at its Special Council Meeting held on 28 July 2022.

\$25,000,000 has been allowed for in the LTFP in year 2026, funded by Reserve Transfer of \$8,644,800 and capital funding of \$7,500,000, with the remanding funding of \$8,855,200 from general revenue.

The development of a new Administration Centre has been in discussion for over 10 years and can no longer be placed on hold, nor wait until 2026 to commence, due to the impacts on work efficiency and effectiveness caused by the current office structure.

**Comments**

The current Administration facility is located at Lot 246 Poinciana Street, Tom Price.

Council has been in negotiations with the landowner of the neighbouring lot, 247 for acquisition and these negotiations are still on going. This lot is required to ensure the success of a new Administration Centre, and to remain in its current location.

A high level concept design has been developed for the fit for purpose Administration Centre (refer to Attachment 1) and was presented to Council at a briefing session in March 2023 along with a price estimate prepared by BSM Consulting Quantity Surveyors of \$20.9M for the construction of the new Administration Centre and included relocation of staff while the building is under construction.

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Cost breakdown as per the estimate is broken down as follows and can be viewed in further detail in attachment 2.

Services - \$1,641,999

Ground Floor - \$7,913,435

First Floor - \$3,748,495

Transportation - \$240,000

External Works - \$1,530,050

Other costs (Design and Construction Contingency, furniture fit out, Management fees cost escalation for 2024 and Office relocation) \$4,982,000.

Total \$20,056,000

Council's Tom Price workforce would be relocated to the Tom Price Community Hall and Library, this would mean the Tom Price Community Hall would be unavailable for the community to hire and a loss of income of approximately \$20,000 over the 2-year construction period.

Should Council formally approve the new development and bring forward the Tom Price Administration Centre in the LTFP to 2023/2024, a budget allocation of \$150,000 would need to be made in the current financial year 2022/2023 for the reference design which will need to go out for request for quote and the works completed by September 2023.

Tom Price Administration Facility reserve balance in the LTFP in 2026 has been calculated to be \$8,644,800. If the project is brought forward, and funded by reserves, then the interest earnings on this reserve will be reduced and reduce the amount of funding available for this project and increase the amount required by alternative avenues. It is recommended that the amount of \$8M from reserves included in current calculations, leaving a shortfall of \$12.9M.

As external funding has not been secured, bringing forward the Tom Price Administration Centre will have a significant impact on the Shire's LTFP and would require alternative means of funding, which could be achieved by either:

- Deferring projects with no contract or funding obligations,
- Funding from reserves, or
- Funding from new loan.

#### Deferring Projects

The majority of projects in the LTFP plan for 2024 are linked to external funding. Deferring these projects will not result in the required funds needed for the Tom Price Administration Centre.

The Ocean View Caravan Park stage 3 (valued at \$5.2M) is the only project in 2024 that currently has no funding obligation for consideration, with a further \$5M for stage 4, also with no funding obligation in 2025.

While these projects could be deferred, significant works have already occurred to date, and it would not be advantageous to defer the project during mid-stage and therefore is not recommended.

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Reserves

Council could consider utilising other reserve balances to fund the deficit. The only reserve with a substantial current balance and suitable purpose would be the Future Projects reserve.

The LTFP has the Future Projects reserve opening balance of \$14.7M in 2024. Of this, \$3.5M is being utilised to assist with the funding of various projects and provide a balanced budget. Additionally, \$5.2M is used in FY2025 and \$5.2M in 2026 for the same purpose. Utilising this reserve to fund the Tom Price Administration Centre would put numerous projects, some which may be linked to funding, in jeopardy and is not recommended.

Loans

Council's final option to proceed with the Tom Price Administration Centre in 2023/2024 would be to secure loan funding.

Proceeding with a new loan would have the least amount of impact on the ability to fund other projects within the LTFP. With that being said, loan repayments are not included in the LTFP and will have a direct financial impact which may have an impact on the ability to fund projects during the term of the loan. Therefore, the term of the loan needs to be carefully considered.

Discussions with WA Treasury Corporation (WATC) have provided three indicative terms for fixed term rate loans:

1. 5 years @4.15%
2. 10 Years @4.40%
3. 20 Years @4.9%.

Using the above rates and fixed term period, the following loan calculations have been performed on a loan of \$12,255,200.

	<b>5 Years</b>	<b>10 years</b>	<b>20 years</b>
Annual interest rate	4.85%	4.40%	4.9%
Monthly payment	\$242,553	\$133,073	\$84,423
Annual payments	\$2,910,641	\$1,596,871	\$1,013,079
Total interest	\$1,653,204	\$3,068,710	\$7,361,588
<b>Total cost of loan</b>	<b>\$14,553,204</b>	<b>\$15,596,871</b>	<b>\$20,261,58</b>

WATC charge a guarantee fee of 0.7% which has not been included in the above.

A 5-year loan will be the most advantageous financially to the Shire in respect to overall costs. However, annual loan repayments of \$2.7M has not been included in the current LTFP and will have a direct financial impact which may affect Council's ability to deliver projects and/or services. The recommendation would be to take out a loan over a 10-year term to limit the impact on the LTFP.

Alternative courses of action include:

1. Further analysis and comparison of the anticipated long term growth trends and Shire administration needs for Tom Price, Paraburdoo and Onslow. This should include an in-depth look at the comparable housing availability and the staff retention trends of the Shires existing key employment centres.

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2. Remove the library from the proposed combined development and simplify the overall development to help reduce the financial impact on the Shire future budgets. The library could be renovated in the existing position.
3. Reduce the overall size of the building to achieve a more palatable budget.
4. Postpone the timing of the development to avoid the inflated construction prices in a market where supply is unable to match the current demand.
5. Proceed with Preliminary design which will allow a more detailed cost analysis and estimate
6. Incorporate the library and offices into the proposed CLIP developments and take advantage of shared features (amenities, common area, parking, services) and economies of scale cost savings achieved through a single larger project.

**Consultation**

Elected Members

Executive Leadership Team

A4 Projects

LK Advisory

BSM Consulting Quantity Surveyors

Whitehaus Architects

**Strategic Community Plan**

Shire of Ashburton Strategic Community Plan 2022-2032

Strategic Objective	4. Performance - We will lead the organisation, and create the culture, to deliver demonstrated performance excellence to the community.
Strategic Outcome	4.5 Safe, engaged, inclusive, and productive workforce culture
Strategy	3 Provide a high standard of workplace health and safety, including education, coaching and workplace support.

**Council Policy**

Council Policy – Purchasing and Procurement

The Shire is committed to delivering best practice in the purchasing of goods, services and works that align with the principles of transparency, probity and good governance whereby establishing efficient, effective, economical and sustainable procedures in all purchasing activities.

**Financial Implications**Current Financial Year

The current financial year has no funds allocated for the Tom Price Administration Centre.

\$150,000 is required for the reference design in the 2022/2023 Financial Year.

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Future Financial Year(s)

It is anticipated that most of the construction costs will be expended in the 2023/2024 Financial Year. It is recommended that the Shire apply for a loan of up to \$12.9m fund the project.

At the recommended loan term of 10 years, the total cost of the loan is \$15,596,871. In addition, WATC charge a guarantee fee of 0.7% which has not been included in the above.

Once construction is complete ongoing operational costs have been estimated at \$100,000 per annum. This covers electricity, water, insurance, staff wages for cleaning and grounds maintenance.

**Legislative Implications***Local Government Act 1995*

## Section 6.20 - Power to borrow

A local government may borrow money to enable the local government to perform its functions. Where in any financial year a local government proposes to exercise a power to borrow and details of that proposal have not been included in the annual budget for that financial year, the local government must give one month's local public notice of the proposal. The resolution to borrow must also be approved by Council by absolute majority.

## Section 3.57 - Tenders for providing goods or services

A local government is required to invite tenders before it enters a contract of a prescribed kind under which another person is to supply goods or services.

*Local Government (Functions and General) Regulation 1996*

## Division 2 — Tenders for providing goods or services (s. 3.57)

Tenders are to be publicly invited according to the requirements of Division 2 before a local government enters a contract for another person to supply goods or services if the consideration under the contract is, or is expected to be, more, or worth more, than \$250,000 unless:

- the supply of the goods or services is to be obtained from expenditure authorised in an emergency under section 6.8(1)(c) of the Act; or
- the supply of the goods or services is associated with a state of emergency; or
- the supply of the goods or services is to be obtained through the WALGA Preferred Supplier Program; or
- within the last 6 months –
  - the local government has, according to the requirements of this Division, publicly invited tenders for the supply of the goods or services but no tender was submitted that met the tender specifications or satisfied the value for money assessment; or
  - the local government has, under regulation 21(1), sought expressions of interest with respect to the supply of the goods or services but no person was, as a result, listed as an acceptable tenderer.

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**Risk Management**

Risk has been assessed against the Shire of Ashburton Risk Management Framework.

Theme	Risk	Likelihood	Consequence	Inherent Risk Rating	Risk Treatment
People	Limited capacity in current facility for Council staff.	Likely (4)	Moderate (3)	High (10-16)	Construct new purpose built Administration Centre.

Based on the inherent risk rating and risk treatments, the residual risk to the Shire is considered to be high as the current facility has reached its end of life and is no longer a functional, effective workplace for Council staff.

**Voting Requirements**

Absolute Majority

**Officer Recommendation**

That with respect to the Tom Price Administration Facility Development, Council,

1. Approves the concept plans for Lot 246 and 247 Poinciana Street, Tom Price as shown as Attachment 1;
2. Approves the following amendments to the 2022-2023 annual budget:
  - (a) Increase new capital expenditure - Tom Price Administration Facility by \$150,000 to progress the reference design,
  - (b) Decrease CV23501 Corporate Service Consultancy by \$50,000, and
  - (c) Decrease FN23501 Finance Consultancy by \$100,000.
3. Amends the Long-Term Financial Plan bringing forward the Tom Price Administration Facility in 2023/2024, including:
  - (a) Capital Expenditure of \$20.9 million,
  - (b) Transfer from Tom Price Administration reserve of \$8m, and
  - (c) Loan borrowings of \$12.9m over a 10-year loan term.
4. That the Tom Price Administration Facility Capital Expenditure \$20.9m, transfer from the Tom Price Administration Reserve of \$8,000,000 and loan income of \$12.9m be considered in the 2023/2024 annual budget considerations,
5. Authorises the Chief Executive Officer to request a tender for the construction of the Tom Price Administration Centre in accordance with Attachment 1; and
6. Notes the outcome from the tender for the Tom Price Administration Centre will be presented to Council for consideration.



**Alternative Recommendation**

That with respect to the Tom Price Administration Facility Development, Council,

1. Approves the concept plans for Lot 246 and 247 Poinciana Street, Tom Price as shown as Attachment 1;
2. Approves the following amendments to the 2022-2023 annual budget:
  - (a) Increase new capital expenditure - Tom Price Administration Facility by \$150,000 to progress the reference design,
  - (b) Decrease CV23501 Corporate Service Consultancy by \$50,000, and
  - (c) Decrease FN23501 Finance Consultancy by \$100,000.
3. Amends the Long-Term Financial Plan bringing forward the Tom Price Administration Facility in 2023/2024, including:
  - (a) Capital Expenditure of \$20.9 million,
  - (b) Transfer from Tom Price Administration reserve of \$8m, and
4. That the Tom Price Administration Facility Capital Expenditure \$20.9m, transfer from the Tom Price Administration reserve and investigation of external contribution to this project be considered in the 2023/2024 Annual Budget consideration,
5. Authorises the Chief Executive Officer to request a tender for the construction of the Tom Price Administration Centre in accordance with Attachment 1; and
6. Notes the outcome from the tender for the Tom Price Administration Centre will be presented to Council for consideration.

**Committee Decision**

**Moved**

**Cr T Mladenovic**

**Seconded**

**Cr M Lynch**

**That with respect to the Tom Price Administration Facility Development, Council,**

- 1. Approves the concept plans for Lot 246 and 247 Poinciana Street, Tom Price as shown as Attachment 1;**
- 2. Approves the following amendments to the 2022-2023 annual budget:**
  - (a) Increase new capital expenditure - Tom Price Administration Facility by \$150,000 to progress the reference design,**
  - (b) Decrease CV23501 Corporate Service Consultancy by \$50,000, and**
  - (c) Decrease FN23501 Finance Consultancy by \$100,000.**
- 3. Amends the Long-Term Financial Plan bringing forward the Tom Price Administration Facility in 2023/2024, including:**
  - (a) Capital Expenditure of \$20.9 million,**
  - (b) Transfer from Tom Price Administration reserve of \$8m, and**
- 4. That the Tom Price Administration Facility Capital Expenditure \$20.9m, transfer from the Tom Price Administration reserve and investigation of**

**external contribution to this project be considered in the 2023/2024 Annual Budget consideration,**

- 5. Authorises the Chief Executive Officer to request a tender for the construction of the Tom Price Administration Centre in accordance with Attachment 1; and**
- 6. Notes the outcome from the tender for the Tom Price Administration Centre will be presented to Council for consideration.**

**Carried By Absolute Majority 6/0**

**Reason for Change:**

**Council wish to explore external funding options.**

## **7 New Business Of An Urgent Nature Introduced By Council Decision**

Nil

## 8 Confidential Matters

### Procedural Motion

**Moved** Cr M Lynch

**Seconded** Cr A Sullivan

That Council move behind closed doors at 9:14am, pursuant to clause 6.2 of the *Shire of Ashburton Standing Orders Local Law 2012* to consider the following confidential items.

#### 8.1 Wittenoom Claims Update

Pursuant to sub section 5.23 (2) (c) of the Local Government Act 1995 which provides:

(b) the personal affairs of any person

**Carried 6/0**

**8.1 Wittenoom Claims Update**

<b>File Reference</b>	LS34
<b>Applicant or Proponent(s)</b>	Not Applicable
<b>Author</b>	T Dayman, Acting Director Corporate Services
<b>Authorising Officer</b>	T Dayman, Acting Director Corporate Services
<b>Previous Meeting Reference</b>	Audit and Risk Committee Meeting 12 July 2022 - Item 8.1 – (101/2022)
<b>Disclosure(s) of interest</b>	Author – Nil
	Authorising Officer – Nil
<b>Attachments</b>	Nil

**Reason for Confidentiality**

<b>Section under the Act</b>	<i>This matter is to be considered behind closed doors pursuant to s.5.23(2)(b) of the Local Government Act 1995 as the subject matter relates to:</i>
<b>Sub-clause and Reason:</b>	<i>“s.5.23(2)(b) the personal affairs of any person.”</i>

**Report Purpose**

The Shire has, for over a decade, been exposed to financial risk of litigation from asbestos mining in Wittenoom, with new claims continuing to be made against the Shire.

This item provides a summary of claims made in the 2022-2023 financial year to date, as well as summary of claims and costs for previous years.

Council is requested to receive the Wittenoom Claims Update to 29 March 2023.

**Voting Requirements**

Simple Majority

**Committee Decision**

**Moved** Cr M Lynch

**Seconded** Cr T Mladenovic

**That with respect to the Wittenoom Claims Update to 29 March 2023, Council receives the update as contained in this report.**

**Carried 6/0**

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Audit And Risk Management Committee Meeting Minutes

4 April 2023

**Procedural Motion****Moved** Cr R De Pledge**Seconded** Cr T Mladenovic**That the Audit And Risk Management Committee re-open the meeting to the public at 9:16am.****Carried 6/0**

## **9 Next Meeting**

The next Audit And Risk Management Committee Meeting will tentatively be held at Clem Thompson Sports Pavilion, Stadium Road, Tom Price on 13 June 2023 at 8:30am.

## **10 Closure Of Meeting**

There being no further business, the Presiding Member closed the meeting at 9:17am.



# Agenda Item 6.2 - Attachment 1

Internal Audit and Financial Audit Log as at 27 April 2023





Shire of Ashburton

Internal Audit log			Current Review Date: 27th April 2023							
No	Date of Report	Audit Topic	Finding Title	Recommendation	Risk Rating	Agreed Action	Original Due Date	Client Progress Update	Moore Australia Comment	Status After Assessment
1	22-Apr-21	Review of FMR	Fixed Asset Register	1. Review systems to ensure practices for routine reviews of the Fixed Asset Register and reconciliations are undertaken and maintained as required by documented procedures.	Medium	Provide evidence of reviews undertaken on the Fixed Asset Register.	01-May-21	Progress Update as at 2 May 2022 Request for Quote 07-21 Shire Property Assessments has been awarded that incorporates data collection on all shire owned property in Tom Price, Paraburdoo and Onslow, which will be used to verify data contained within the Shire's fixed asset register. Additional asset classes will be programmed in future years. Fixed Asset Register reconciliations are completed monthly and reviewed by the Manager Finance and Administration, with the task have been incorporated in end of month financial checklist. Status Completed	12 June 2022: Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	In Progress
2	22-Apr-21	Review of FMR	Fixed Asset Register	2. Enforce individual accountability for compliance with the Shire's documented procedures.	Medium	Awareness provided i.e. email communications etc to remind employees about Shire's documented procedures.	01-May-21	Progress Update as at 2 May 2022 Request for Quote 07-21 Shire Property Assessments has been awarded that incorporates data collection on all shire owned property in Tom Price, Paraburdoo and Onslow, which will be used to verify data contained within the Shire's fixed asset register. Additional asset classes will be programmed in future years. Fixed Asset Register reconciliations are completed monthly and reviewed by the Manager Finance and Administration, with the task have been incorporated in end of month financial checklist. Status Completed	12 June 2022: Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	In Progress
3	22-Apr-21	Review of FMR	Debtors	3. Implement checklists to evidence preparation, review and monitoring of tasks as required by Finance Manual procedures. This will allow for management to routinely monitor compliance and to assist with ensuring procedural requirements are adhered to in a timely manner.	Medium	Examples of checklists implemented and completed.	01-Mar-21	Progress update as at 2 May 2022 •Rates and Sundry Debtors reconciliations are completed monthly and reviewed by the Manager Finance and Administration, with the task have been incorporated in end of month financial checklist. •Incorporated into the EOM process and checklist is the provision to review end of month reconciliations and ensure the checklists has been completed prior to the preparation and finalization of the monthly financial statements. Status Complete	12 June 2022: Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	In Progress



Shire of Ashburton

Internal Audit log			Current Review Date: 27th April 2023							
No	Date of Report	Audit Topic	Finding Title	Recommendation	Risk Rating	Agreed Action	Original Due Date	Client Progress Update	Moore Australia Comment	Status After Assessment
4	22-Apr-21	Review of FMR	Bank Reconciliations	4. Bank Reconciliations Review and update systems to facilitate compliance with the Finance Manual and agreed documented management actions noted in the FMR.	High	Evidence of reviews undertaken.	01-Apr-21	Progress update as at 2 May 2022: 28 February 2022 Prior period bank reconciliation issues are being addressed and cleared in order to bring Council's bank reconciliations up to date with a significant reduction in outstanding items. Bank Reconciliation tasks for all the Shire's bank accounts have been incorporated in end of month financial checklist. Currently Bank Reconciliations are performed manually and via excel. An upgrade to Itvision Altus Bank Reconciliations is schedule to be implemented in 2021/2022. Finance Manual to be updated in conjunction with the commencement of the new system. Status - Ongoing Progress Update: Prior period bank reconciliation issues are being addressed and cleared in order to bring Council's bank reconciliations up to date with a significant reduction in outstanding items. Bank Reconciliation tasks for all the Shire's bank accounts have been incorporated in end of month financial checklist. Currently Bank Reconciliations are performed manually and via excel. An upgrade to Itvision Altus Bank Reconciliations is schedule to be	12 June 2022: Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	In Progress
5	22-Apr-21	Procurement	Documented Policies & Procedures	5. Documented Policies and Procedures Review and update KCA 10 Purchasing, Creditors, Procurement and Payments and FIN22 Procurement Directive to align with and provide consistent and correct direction to staff for procurement activities.	High		01-May-21	Progress Update: Staff are currently reviewing new procurement systems to be implemented in 2021/202. The system implementation will incorporate the review and/or development of various council policies, processed and directives, that will be inbuilt into the system to ensure compliance. Additional review of transactions associated with Muzzy's is occurring with key stakeholders set to meet in the near future to resolved issues raised. Status Ongoing	12 December 2022: The Shire has provided an Updated FIN22 Authority to purchase or procure. Please refer to recommendation 181.  12 June 2022: Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	Completed



# Shire of Ashburton

## Internal Audit log

Current Review Date: 27th April 2023

No	Date of Report	Audit Topic	Finding Title	Recommendation	Risk Rating	Agreed Action	Original Due Date	Client Progress Update	Moore Australia Comment	Status After Assessment
6	22-Apr-21	Procurement	Documented Policies & Procedures	6. Documented Policies and Procedures Create checklists for tasks and controls noted within documented policies and procedures to assist with and to evidence compliance	High	Examples of checklists implemented and completed.	01-May-21	Progress Update: Staff are currently reviewing new procurement systems to be implemented in 2021/2022. The system implementation will incorporate the review and/or development of various council policies, processed and directives, that will be inbuilt into the system to ensure compliance. Additional review of transactions associated with Muzzy's is occurring with key stakeholders set to meet in the near future to resolved issues raised. Status Ongoing	12 June 2022: Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	In Progress
7	22-Apr-21	Procurement	Delegation of Authority	7. Delegation of Authority Enforce individual accountability for compliance with the Shire's recordkeeping requirements and documented procedures.	High	Awareness provided i.e. email communications etc to remind employees about Shire's documented procedures.	01-Mar-21	Progress Update: Current process to be reviewed which may result in amendments to employee delegations to mitigate the concerns raised by the reviewers. A new Record Keeping Program is currently being implemented. This program, in conjunction with reviewed process and procedures will be aligned to ensure best practice and compliance is met. Update – February 2022. A review of the proposed records keeping program has indicated that it may not be the recommended program for the Shire. A system health check is being conduct on the current Synergy Soft Records, to assess its suitability either short term or long term.	12 June 2022: Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	In Progress
8	22-Apr-21	Procurement	Delegation of Authority	8. Delegation of Authority Review delegation 1.1.21 and consider updates where required if there are impracticalities to a single officer being required to approve all payments made from the municipal and/or trust fund.	High		01-Mar-21	Progress Update: Current process to be reviewed which may result in amendments to employee delegations to mitigate the concerns raised by the reviewers. A new Record Keeping Program is currently being implemented. This program, in conjunction with reviewed process and procedures will be aligned to ensure best practice and compliance is met. Update – February 2022. A review of the proposed records keeping program has indicated that it may not be the recommended program for the Shire. A system health check is being conduct on the current Synergy Soft Records, to assess its suitability either short term or long term.	12 December 2022: The Shire has provided a Delegation of authority (01.01.16 - Payments from the Municipal or Trust Funds) Documents. In the Document, we can see that the Council does give the CEO authority to make Payments from municipal fund or trust fund, restrictions on making. The CEO also gives Delegates this power to subdelegates. Was reviewed on 12 April 2022  12 June 2022: Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	Completed



Shire of Ashburton

Internal Audit log			Current Review Date: 27th April 2023							
No	Date of Report	Audit Topic	Finding Title	Recommendation	Risk Rating	Agreed Action	Original Due Date	Client Progress Update	Moore Australia Comment	Status After Assessment
9	22-Apr-21	Procurement	Delegation of Authority	9. Delegation of Authority Implement systems and controls where reviews of the record of exercise of delegated powers or duties are performed for compliance and accuracy verification.	High	Evidence of reviews undertaken.	01-Mar-21	28 Feb 23: The Shire has introduced Attain. Staff with delegated authority are required to record the use of their delegation in the system. The Internal Auditor will be required to conduct an audit on sample entries on a regular basis to ensure compliance with legislation and Shire procedure (attached). First audit to be conducted in April 2023.	28 Feb 23: As per mgmt progress update.	In Progress
10	22-Apr-21	Procurement	Training	10. Training A risk based training matrix be implemented to assist with ensuring staff are offered relevant training to ensure their knowledge of legislative and operational requirements is maintained up to date.	Medium		01-Apr-21	Progress update as at 2 May 2022: Procurement training for all staff is already in place, including new starter Procurement e-learning module (recently developed and implemented). This module has already been rolled out to the Shire's entire workforce as mandatory refresher training. In addition, LG and Shire procurement practices are covered in detail in our CEO 6 monthly Introduction to LG face to face compulsory training. This training is currently for new starters, but the aim is to get all staff enrolled in the near future. In addition, our procurement team regularly invites Shire staff to face procurement training on LG and Shire procurement practices. Our middle management group (MMG) and our Governance Officer recently attended a comprehensive, bespoke 3-day face to face LG Skills Development Programme, covering LG and Shire legislative and operational requirements in detail. Our training calendar for the remainder of this calendar year includes: LG Act (Essentials and Advanced) training (June & July), Procurement and Contract Essentials course and Procurement Planning and Risk course (facilitated by WALGA) (Sept/Oct)	Moore received the evidence on training material, attendance logs. Closed on 12 June 2022.	Completed



# Shire of Ashburton

## Internal Audit log

Current Review Date: 27th April 2023

No	Date of Report	Audit Topic	Finding Title	Recommendation	Risk Rating	Agreed Action	Original Due Date	Client Progress Update	Moore Australia Comment	Status After Assessment
11	22-Apr-21	Procurement	Conflict of Interest & Confidentiality	11. Conflict of Interest and Confidentiality Persons assessing or handling any significant procurement should be required to declare any matters which may impact or be perceived to impact on their independence prior to the evaluation being undertaken. Procedures for the declaration of interests prior to procurement assessments being undertaken should also be documented for high value purchases and tenders.	Medium		01-Apr-21	Progress Update: Declarations of interest are completed by staff for RFQ and RFT. Formal procedures are under review to align with new requirement, including providing guidelines of types of interest and definition of significant procurement. A new procurement platform is currently being investigated which will include the ability to in-build shire requirements and reflect the shire's workflow for declarations. Update – September 2021. Funds to upgrade to Altus included in 2021-2022 budget, which may include upgrade to Altus procurement. System demonstration to be arranged to ensure it meets the requirements of the organization.	The Shire provided several copies of signed Declaration and Confidentiality and Interest forms on 5 different tenders / requests. Also included was the Code of Conduct for Tender Evaluation Panel Members. Closed on 12 June 2022.	Completed
12	22-Apr-21	Procurement	Scope & Planning of Projects	12. Scope and Planning of Projects Cost Estimates including In addition to the implementation of a risk based training matrix, consider mechanism where project plans and cost estimates are reviewed by appropriately qualified personnel prior to invitations to provide goods/services being issued.	High	Evidence of reviews undertaken.	No due date	Progress Update as at 12 January 2023 Relevant Staff have received contract management and Risk management training from an external supplier. This is ongoing training the Shire are committed to. Procurement will support this training by providing refresher training for staff.  Progress update as at 2 May 2022: In the 2020/21 year, we facilitated the following training: Understanding Building and Construction Tenders and Contracts (Questamon); Project Management (LG Pro); Contract Risk (LGIS); Project Management (AIMWA). 2021/22 - In addition to all of the LG and Procurement related training already mentioned, the following AIM WA training is scheduled: Manage Projects (Aug) and Applied Project Management (Oct).  Progress Update: Contract management training has been delivered to project management staff. Ongoing training to be provided where identified. Third party consultants are engaged to review scope of works for major projects. Budget considerations are submitted by providing a business case, which outlines a detailed scope of works. This area is under ongoing improvement to ensure that the level of planning and budget estimates	31 January 2023: Validated.	Completed



# Shire of Ashburton

## Internal Audit log

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13	22-Apr-21	Procurement	Tenders	13. Tenders Review systems and controls in relation to contract management and compliance with tenders to ensure processes remain compliant and align with general good governance principles. Training may also assist for staff involved in tender processes (including contract management) to understand their obligations in relation to legislative compliance.	High		01-Jun-21	<p>Progress Update 12 January 2023 Shire is still receiving information around Contract management software. Procurement are canvassing other LG to gauge the opinion of software they may have.</p> <p>Progress as at 2 May 2022 In addition to LG training already mentioned, the following WALGA training is scheduled for Sept/Oct this year: Procurement and Contract Essentials and Procurement Planning and Risk.</p> <p>Progress Update: In addition to the new procurement platform, Altus Contract Management module has been released by Itvision and currently being investigated as a platform to provide ongoing systems improvements. Contract management training has been delivered to project management staff. Increase procurement and understanding of legislation training identified, with training being delivered over the next 12 months. Training will need to be delivered regularly to ensure new staff are aware of the requirements. Update – September 2021. Upgrade to Altus included in 2021-2022 budget, which may include upgrade to Altus procurement / Contract Management.</p>	23 February 2023: Training Register provided.	Completed
14	22-Apr-21	Procurement	Evaluations	14. Evaluations To help ensure probity and fairness when assessing high value procurement options, at least three persons should assess the procurement option independently of each other. Documented processes should require a higher level of probity and due diligence (including reference checking), the higher the value or risk associated with the purchase.	Medium		No due date	<p>Progress Update: In addition to the new procurement platform, Altus Contract Management module has been released by Itvision and currently being investigated as a platform to provide ongoing systems improvements. Update – September 2021. Upgrade to Altus included in 2021-2022 budget, which may include upgrade to Altus procurement / Contract Management</p>	The Shire provided several Declaration of Confidentiality and Interest forms indicating that three or more employees perform evaluations on tenders and quotations. Meetings are set up after each individual evaluation and an overall evaluation is performed. Further, the Shire also appointed Santo Casilli from Avant Edge Consulting as the Shire's probity advisor and auditor. Closed on 12 June 2022.	Completed
15	22-Apr-21	Procurement	Panels & Pre Qualified Suppliers	15. Panels and Pre Qualified Suppliers Undertake a well considered, risk based approach prior to assessing the merits of establishing and subsequently complying with Pre-Qualified Supplier Panels. Ensure robust processes, systems and controls are in place to support and monitor compliance.	Medium		No due date	<p>Progress Update: The induction of new systems improvements will incorporate a complete review of the overall procurement process, including considering the use of Panels of Pre-Qualified suppliers.</p>	As per the Purchasing Policy FIN 12, the Shire use WALGA or CUA for panel procurement. FIN 12 describes the procurement processes. Further, FIN 25 - Panels of Prequalified Suppliers has been implemented since 8 September 2020 which describe the process for panel procurement activities including record keeping requirements. Closed on 12 June 2022.	Completed



Shire of Ashburton

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16	22-Apr-21	Procurement	Variations	16. Variations Review and update FIN22 Procurement Directive to remove the 'conditions of approvals for when entering into contract variations that consider the barter or exchange of services or facilities'. Any ability to enter into contract variations should align with FIN12 Purchasing policy as adopted by Council.	High	Provide updated Fin 22 showing the removal of 'conditions of approvals for when entering into contract variations that consider the barter or exchange of services or facilities'	01-Jun-21	2023 April 27: Requested mention of bartering removed – Revised FIN22 yet to be released by Manager Governance – Yet to be indorsed by ELT  Progress update as at 12 January 2023 FIN22 Authority to Purchase and Procure Directive has been approved as of October please see attachments, this will be reviewed on a monthly basis by Procurement and any changes that are required will be reported to CEO and Directors	27 April 23: Fin 22 updated.	Completed
17	22-Apr-21	Procurement	Variations	17. Variations Enforce individual accountability with documented procurement policies and procedures and consider disciplinary action for repetitive compliance breaches.	High		01-Jun-21	Progress Update: The induction of new systems improvements will incorporate a complete review of the overall procurement process including the review of policies and directives as identified by the reviewer. A new procurement platform is currently being investigated which will include the ability to in-build shire requirements and reflect the shire's workflow for variations. Update – September 2021. Upgrade to Altus included in 2021-2022 budget, which may include upgrade to Altus procurement / Contract Management.	FIN 12 Purchasing Policy Section 1.4.8 provide the requirements for Contract Renewals, Extensions and Variations. The Shire also implemented PP 099 - Exemption Form for employees to apply for exemptions (variations) The form must be completed, signed and approved by either a Director or the CEO, in accordance with their Financial Limits as set out in FIN 22. Closed on 12 June 2022.	Completed
18	22-Apr-21	Procurement	Variations	18. Variations Update KCA 10 Purchasing, Creditors, Procurement and Payments to provide for current requirements in relation to variations and approvals.	High	Provide updated KCA 10	01-Jun-21	Progress Update: The induction of new systems improvements will incorporate a complete review of the overall procurement process including the review of policies and directives as identified by the reviewer. A new procurement platform is currently being investigated which will include the ability to in-build shire requirements and reflect the shire's workflow for variations. Update – September 2021. Upgrade to Altus included in 2021-2022 budget, which may include upgrade to Altus procurement / Contract Management.	8 June 2022: Renae Lynch - This recommendation is the responsibility of the Finance Manager - Taryn Dayman.	In Progress



Shire of Ashburton

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19	22-Apr-21	Procurement	Segregation of Duties	19 Segregation of Duties Review and update levels of permissions within the Shire's ERP to support segregation of duties	Medium	Screen shots showing the level of permissions within the Shire's ERP.	01-Apr-21	Progress Update: New application, eftsure, is being acquired and will be implemented in July 2021. This new application incorporates payment protection, compliance monitoring and vendor onboarding by a third party. Implementation of new system will reduce the Shire's exposure to fraudulent activities as well as increasing the segregation of duties within the accounts payable team. Processes and procedures will be updated at the time of implementation, which will include a review of controls. Update – November 2021. Procurement to suitable solution has been complete, new system to be implemented in the new year. Update – February 2020. EFTSure is currently being implemented and due to go live in April 2022.	12 June 2022: Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	In Progress
20	22-Apr-21	Procurement	Segregation of Duties	20. Segregation of Duties Update procedures to ensure appropriate interventions are available at various stages of the procurement process, including routine reviews of controls to ensure they are being observed and maintained as required.	Medium		01-Apr-21	Progress Update: New application, eftsure, is being acquired and will be implemented in July 2021. This new application incorporates payment protection, compliance monitoring and vendor onboarding by a third party. Implementation of new system will reduce the Shire's exposure to fraudulent activities as well as increasing the segregation of duties within the accounts payable team. Processes and procedures will be updated at the time of implementation, which will include a review of controls. Update – November 2021. Procurement to suitable solution has been complete, new system to be implemented in the new year. Update – February 2020. EFTSure is currently being implemented and due to go live in April 2022.	28 Feb 23: Implemented 3rd party software EFTSure.	Completed
21	22-Apr-21	Procurement	Approval of Invoices	21. Approval of Invoices, Compliance with Policies and Procedures Consider the implementation of authorised checklists and / or workflow diagrams to assist with compliance and understanding of systems and processes to be followed.	Medium	Provide examples of checklist created	No due date	Progress Update: Continued monitoring of current practices to ensure compliance. Checklists and workflows will be inbuilt into the new procurement systems to ensure compliance and meeting of best practice.	12 June 2022: Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	Not Started





# Shire of Ashburton

## Internal Audit log

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22	22-Apr-21	Procurement	Vendor/Supplier Masterfile & Maintenance	22. Vendor/Supplier Masterfile and Maintenance Review and update processes and forms for additions / amendments to the vendor / supplier Masterfile to include declarations to support the verification of change requests and their origin, authority to support the change request, validation checks for changes once completed (including routine monitoring of audit trails to ensure all changes performed have been authorised).	High		01-Apr-21	Progress Update: New application, eftsure, is being acquired and will be implemented in July 2021. This new application incorporates payment protection, compliance monitoring and vendor onboarding by a third party. Implementation of new system will reduce the Shire's exposure to fraudulent activities as well as increasing the segregation of duties within the accounts payable team. Processes and procedures will be updated at the time of implementation, which will include a review of controls. Update – November 2021. Procurement to suitable solution has been complete, new system to be implemented in the new year. Update – February 2020. EFTSure is currently being implemented and due to go live in April 2022.	28 Feb 23: Implemented 3rd party software EFTSure.	Completed
23	22-Apr-21	Procurement	Progress Payments and Purchase Order Tracking	23. Progress Payments and Purchase Order Tracking Update procedures to include review of the status of outstanding purchase orders as part of end of month processes. Ensure any controls developed are routinely and consistently applied.	Medium	Provide updated procedures that include review of the status of outstanding purchase orders as part of end of month processes.	01-Apr-21	Progress Update: Review being performed as part of end of financial year and will continue throughout the year. Frequent reviews incorporated in the monthly checklist. It is anticipated that new systems will also assist in the monitoring and tracking of progress payments and purchase orders. Update – September 2021. Upgrade to Altus included in 2021-2022 budget, which may include upgrade to Altus procurement / Contract Management.	12 June 2022: Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	In Progress
24	22-Apr-21	Procurement	Exemptions for Purchasing Activities	24. Exemptions for Purchasing Activities Update policies and procedures to provide clearer instruction and alignment for exemptions to occur.	Medium		01-Apr-21	Progress Update: The induction of new systems improvements will incorporate a complete review of the overall procurement process including the review of policies and directives as identified by the reviewer. A new procurement platform is currently being investigated which will include the ability to in-build shire requirements and reflect the shire's workflow for exemptions. Ongoing procurement training to be delivered. Update – September 2021. Upgrade to Altus included in 2021-2022 budget, which may include upgrade to Altus procurement / Contract Management.	The Shire updated PP 099 - Exemption Form on 8 June 2021 and it requires employees to apply for exemptions. The form must be completed, signed and approved by either a Director or the CEO, in accordance with their Financial Limits as set out in FIN 22. Closed on 12 June 2022.	Completed



# Shire of Ashburton

## Internal Audit log

Current Review Date: 27th April 2023

No	Date of Report	Audit Topic	Finding Title	Recommendation	Risk Rating	Agreed Action	Original Due Date	Client Progress Update	Moore Australia Comment	Status After Assessment
25	22-Apr-21	Procurement	Credit Cards	25. Credit Cards Ensure processes exist to maintain adherence to and detect any deviation from established documented procedures and controls.	Medium	Provide evidence of process to aintain adherence to and detect any deviation from established documented procedures and controls	01-Apr-21	Progress Update: A review of credit card best practices currently in progress which may include the reduction of the number of card holders and the manner in which a credit card may be used. Corporate Credit Card conditions of use to be developed in line with updated policies, processes, and directives. Continued monitoring of practices to ensure compliance.	8 February 2023: Council Policy EMP24 Corporate Credit Card is currently under review. It is anticipated this policy will be submitted to Council in March 2023.  8 June 2022: Renae Lynch - This recommendation is the responsibility of the Finance Manager - Taryn Dayman.	In Progress
26	22-Apr-21	Procurement	Accounts for Payments Listing to Council	26. Accounts for Payments listing to Council The list of payments made by the CEO under delegated authority should be presented to Council with only the minimum information required by legislation, and not as a separate confidential attachment.	Medium	Provide examples of checklist created list of payments made by the CEO under delegated authority presented to Council	01-Apr-21	Progress update as at 2 May 2022  Not applicable	12 June 2022: Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	Not Started
27	22-Apr-21	Procurement	Regional Price Preference Policy	27. Regional Price Preference Policy Where regional price preferencing is to be applied to tender considerations, ensure policies remain in place which have complied with legislative requirements.	Medium		No due date	Progress Update: The induction of new systems improvements will incorporate a complete review of the overall procurement process including the review of policies and directives as identified by the reviewer. A new procurement platform is currently being investigated which will include the ability to in-build shire requirements and reflect the shire's workflow for applying Regional Price Preference Policy. Ongoing procurement training to be delivered. Update – September 2021. Upgrade to Altus included in 2021-2022 budget, which may include upgrade to Altus procurement / Contract Management.	The FIN 04 - Regional Price Preference Policy was approved on 10 November 2020 and implemented. Closed on 12 June 2022.	Completed
28	22-Apr-21	Risk Management	Resourcing	28. Resourcing Appointment of dedicated risk manager who is responsible for the coordination of risk management activities. Regularly consider the resourcing of the risk management function and if it currently meets expectations. This may include the convening of a risk management group to support the risk manager	Medium		No due date	Progress Update: Risk Management has been identified as a priority. The funding of a new Audit and Governance position has been included in budget considerations and incorporated in the organization review discussions. Update – September 2021. Organisational structure incorporating new position has been endorsed by Council and funded in the 2021-2021 budget. Recruitment to commence	The new Manager Governance, Jasmine Bray commenced at the Shire. She will take responsibility for risk mangement at the Shire. . Closed on 9 June 2022.	Completed
29	22-Apr-21	Risk Management	Alignment to Strategic Plan & Business Plan	29. Alignment to Strategic Plan and Business Plan Consider and document current and emerging risks in the Strategic Community Plan 2017-2027 and the Corporate Business Plan and how effective risk management is in place.	Medium	Provide updated Strategic Community Plan 2017-2027 and the Corporate Business Plan and how effective risk management is in place	No due date	28 Feb 23: Strategic risks will be considered for inclusion in the Strategic Community Plan during its next review in 2024. A new Corporate Business Plan will be developed in the coming months.	28 Feb 23: As per mgmt progress update.  12 December 2022: Updated SCP adopted by council, mentions risk identification but does not specify risks identified. CBP review has not yet commenced.  12 June 2022: Meeting scheduled for 16 June 2022 to discuss the evidence required to finalise the implementation of the recommendation.	In Progress



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30	22-Apr-21	Risk Management	Council & Audit & Risk Mgmt Committee	30. Council and Audit and Risk Management Committee Review CORP5 Risk Management Policy to better define the responsibilities of the Council, the Audit & Risk Management Committee, management and other stakeholders.	Medium	Provide updated CORP5 Risk Management Policy to show the responsibilities of the Council, the Audit & Risk Management Committee, management and other stakeholders.	01-Jun-21	25 January 2023: Status update Council adopted the review of the Risk Management Policy on 13 December 2022  12 December 2022: Status update – Workshops were held with ELT and MMG, facilitated by LGIS, to review Policy CORP5 Risk Management. This is proposed to be presented to Audit and Risk Management Committee in February 2023.  Progress Update: Term of reference to be reviewed based on department guidelines and best practice. To be presented for discussion with the audit committee.	31 January 2023: Risk Framework does not cover responsibilities of all relevant roles required. Have not received Policy. No status change.  25 January 2023: Elrich: We may need to review again but it only tells you the responsibility of the CEO  12 December 2022: Workshops held to review CORP5 Risk Mgmt - No evidence received.  12 June 2022: Meeting scheduled for 16 June 2022 to discuss the evidence required to finalise the implementation of the recommendation.	In Progress
31	22-Apr-21	Risk Management	Council & Audit & Risk Mgmt Committee	31. Council and Audit and Risk Management Committee Review the current Audit and Risk Management Committee Terms of Reference to Include risk management responsibilities and to align with better practice principles.	Medium		01-Jun-21	25 January 2023: Council adopted the review of the Audit and Risk Management Committee Terms of Reference on 13 December 2022  12 December 2022: The Audit and Risk Management Committee Terms of Reference are currently under review and are proposed to be presented to Committee at its November 2022 meeting.  Progress Update: Term of reference to be reviewed based on department guidelines and best practice. To be presented for discussion with the audit committee.	8 February 2023: Updated Audit and Risk Management Committee Terms of Reference were endorsed at the Council meeting held on 13 December 2023.  12 December 2022: The Audit and Risk Management Committee Terms of Reference are currently under review and are proposed to be presented to Committee at its November 2022 meeting - no evidence of such received.  12 June 2022: Meeting scheduled for 16 June 2022 to discuss the evidence required to finalise the implementation of the recommendation.	Completed
32	22-Apr-21	Risk Management	Risk Management	32. Risk Management Annual Work Plan and Calendar Develop, approve, document, monitor and report on a risk management calendar and annual work plan, which identifies the risk management events that are scheduled to occur to ensure that all deadlines are met.	Low	Provide annual workplan for risk management and training dates	01-Jul-21	28 Feb 23: Annual Work Plan is currently being drafted for approval.	28 Feb 23: As per mgmt progress update.  12 June 2022: Meeting scheduled for 16 June 2022 to discuss the evidence required to finalise the implementation of the recommendation.	In Progress
33	22-Apr-21	Risk Management	Risk Management	33. Risk Management Annual Work Plan and Calendar Develop, approve, monitor and report on a risk management training calendar and perform induction and regular training for management, staff, contractors and volunteers. Ensure that the risk manager and risk owners have induction and regular training to ensure they understand their role and responsibility and better practice principles. This can be performed via online training and be integrated with other training performed by the Shire.	Low	Provide annual workplan for risk management and training dates	01-Jul-21	28 Feb 23: Risk Management Training program is currently being drafted for approval.	28 Feb 23: As per client progress update.	In Progress



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No	Date of Report	Audit Topic	Finding Title	Recommendation	Risk Rating	Agreed Action	Original Due Date	Client Progress Update	Moore Australia Comment	Status After Assessment
34	22-Apr-21	Risk Management	Risk Expert	34. Risk Expert Document consideration of the need for a risk expert in the identification and management of key risks.	Low		No due date	Progress Update: This will be addressed on the appointment of the new Audit and Governance position Update – September 2021. Organisational structure incorporating new position has been endorsed by Council and funded in the 2021-2022 budget. Recruitment to commence	The new Manager Governance, Jasmine Bray commenced at the Shire. She will take responsibility for risk management at the Shire. The Shire also introduced the "Employee Handbooks" covering on employee responsibilities, including aspects of risk management. Closed on 9 June 2022.	Completed
35	22-Apr-21	Risk Management	Risk Owners	35. Risk Owners Review off boarding processes and ensure risk management processes and controls are updated to remove terminated staff and to identify new risk owners.	Medium		01-Jun-21	Progress Update: This will be addressed on the appointment of the new Audit and Governance position Update – September 2021. Organisational structure incorporating new position has been endorsed by Council and funded in the 2021-2022 budget. Recruitment to commence	The new Manager Governance, Jasmine Bray commenced at the Shire. She will take responsibility for risk management at the Shire. The Shire also introduced the "Employee Handbooks" covering on employee responsibilities, including aspects of risk management. Closed on 9 June 2022.	Completed
36	22-Apr-21	Risk Management	Risk Register	36. Risk Register Create, implement and maintain an organisational Risk Register and consider: - overlap, duplication and risk owners, shared risks and whether a residual risk falls within or outside the Shire's risk appetite- where business units risk registers can be used as an effective risk management tool- more regular reviews of risks more than annually regular assessment of the shared risks and the impact on the Shire, - the risk management categories to ensure they are appropriate to assist with risk identification and management, -application of professional judgement in assessment of effectiveness of controls in line with documented systems and controls	High	Provide implemented organisational Risk Register	No due date	12 December 2022: Status update – Workshops were held with ELT and MMG, facilitated by LGIS, to review and prepare the Shire's Risk Management Policy, Framework and Register in July 2022. The Operational Risk Register is currently being reviewed by staff and will be submitted to ELT for endorsement in the near future.  Progress Update: Updating of the operation risk register and implementing strategic risk register to commence on the appointment of the new Audit and Government position Update – September 2021. Organisational structure incorporating new position has been endorsed by Council and funded in the 2021-2022 budget. Recruitment to commence	12 December 2022: Status update – Workshops were held with ELT and MMG, facilitated by LGIS, to review and prepare the Shire's Risk Management Policy, Framework and Register in July 2022. The Operational Risk Register is currently being reviewed by staff and will be submitted to ELT for endorsement in the near future - no evidence received.  12 June 2022: Meeting scheduled for 16 June 2022 to discuss the evidence required to finalise the implementation of the recommendation.	In Progress
37	22-Apr-21	Risk Management	Risk Appetite, Risk Tolerance Statements & Treatment	37. Risk Appetite, Risk Tolerance Statements and Treatment Action Plans Develop, approve, monitor and report on a risk appetite, risk tolerance and treatment action plans and then consider these within documented risk management practices. Consider the effectiveness of controls to ensure that treatment action plans are not required to reduce risk to within risk appetite.	High	Provide risk appetite, risk tolerance and treatment action plan	No due date	28 Feb 23: Risk Appetite Statements currently being drafted based on risk categories.	28 Feb 23: As per client progress update.  12 December 2022: Workshops were held with ELT and MMG, facilitated by LGIS, to review and prepare the Shire's Risk Management Policy, Framework and Register in July 2022. These documents are currently being reviewed by staff and are proposed to be presented to the Audit and Risk Management Committee in February 2023 - no evidence received.  12 June 2022: Meeting scheduled for 16 June 2022 to discuss the evidence required to finalise the implementation of the recommendation.	In Progress



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38	22-Apr-21	Risk Management	Risk Management Strategy	38. Risk Management Strategy Develop, a risk management strategy and review this at least on an annual basis or when material risks are identified.	Medium	Provide risk management strategy	No due date	12 December 2022: Workshops were held with ELT and MMG, facilitated by LGIS, to review and prepare the Shire's Risk Management Policy, Framework and Register in July 2022. These documents are currently being reviewed by staff and are proposed to be presented to the Audit and Risk Management Committee in February 2023.  Progress Update: This will be addressed on the appointment of the new Audit and Governance position. Update – September 2021. Organisational structure incorporating new position has been endorsed by Council and funded in the 2021-2022 budget. Recruitment to commence	12 December 2022: Workshops were held with ELT and MMG, facilitated by LGIS, to review and prepare the Shire's Risk Management Policy, Framework and Register in July 2022. These documents are currently being reviewed by staff and are proposed to be presented to the Audit and Risk Management Committee in February 2023 - no evidence received.  12 June 2022: Meeting scheduled for 16 June 2022 to discuss the evidence required to finalise the implementation of the recommendation.	In Progress
39	22-Apr-21	Risk Management	Special Activities & Project Risks	39. Special Activities and Project Risks Develop an approved risk assessment tool for special projects and activities which are being considered to be undertaken	High	Provide risk assessment tool for special projects and activities	No due date	25 January 2023: LGIS has developed a risk assessment tool for the Shire (attached) which can be adapted and used for events and projects. This will be circulated to staff in the first quarter of 2023.  12 December 2022: Workshops were held with ELT and MMG, facilitated by LGIS. As part of this work LGIS has developed a tool for the Shire to assess risks. This will be implemented following Council's adoption of the documents mentioned above.  Progress Update: This will be addressed on the appointment of the new Audit and Governance position. Update – September 2021. Organisational structure incorporating new position has been endorsed by Council and funded in the 2021-2022 budget. Recruitment to commence	31 January 2023: Tool provided is for the Shire's Risk Profile and cannot be used for individual risk assessments. Proposed to revert status to In Progress.  25 January 2023: We have received the tool  12 December 2022: Workshops were held with ELT and MMG, facilitated by LGIS. As part of this work LGIS has developed a tool for the Shire to assess risks. This will be implemented following Council's adoption of the documents mentioned above - no evidence received.  12 June 2022: Meeting scheduled for 16 June 2022 to discuss the evidence required to finalise the implementation of the recommendation.	In Progress
40	22-Apr-21	Risk Management	Embedded Risk Management	40. Embedded Risk Management Consider and document how the risk management is integrated and embedded within Shire processes. Strategies that can be considered include risk champions, workshops with management and staff.	High	Provide evidence on how the risk management is integrated and embedded within Shire processes.	No due date	Progress Update: This will be addressed on the appointment of the new Audit and Governance position. Update – September 2021. Organisational structure incorporating new position has been endorsed by Council and funded in the 2021-2022 budget. Recruitment to commence	12 June 2022: Meeting scheduled for 16 June 2022 to discuss the evidence required to finalise the implementation of the recommendation.	In Progress
41	22-Apr-21	Risk Management	Audit & Risk Management Committee	41. Audit and Risk Management Committee Include a summary of the risk management activities as an agenda paper for Audit & Risk Management Committee meetings.	Medium	Provide examples of a summary of the risk management activities on the agenda paper for Audit & Risk Management Committee meetings	01-Sep-21	28 Feb 23: Reporting requirements are being considered as part of the Risk Management Framework review.	28 Feb 23: As per client progress update. Client wishes to discuss with Moore. In Progress	In Progress



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42	22-Apr-21	Risk Management	Executive Leadership Team	42. Executive Leadership Team Include a summary of the risk management activities as an agenda paper for Executive Leadership Team meetings.	Medium	Provide examples of a summary of the risk management activities on the agenda paper for ELT meetings	01-Apr-21	28 Feb 23: Reporting requirements are being considered as part of the Risk Management Framework review.	28 Feb 23: As per client progress update. In Progress	In Progress
43	22-Apr-21	Risk Management	Compliance with Legislative Requirements	43. Compliance with Legislative Requirements Develop and implement a risk management framework / strategy and supporting systems and procedures aligned to the current risk Management Standard, ISO 31000:2018.	Medium	Provide risk management framework and supporting policies and procedures	No due date	<p>25 January 2023: LGIS has reviewed the Shire's current Risk Management Framework (attached). This will be circulated to staff for comment in the first quarter of 2023. This will be submitted to the Audit and Risk Committee for endorsement once finalised.</p> <p>12 December 2022: Workshops were held with ELT and MMG, facilitated by LGIS, to review and prepare the Shire's Risk Management Policy, Framework and Register in July 2022. These documents are currently being reviewed by staff and are proposed to be presented to the Audit and Risk Management Committee in February 2023.</p> <p>Progress Update: Risk management framework / strategies, systems and procedures to be reviewed against and aligned with new standards, to be carried out by the new Audit and Governance Officer. Update – September 2021. Organisational structure incorporating new position has been endorsed by Council and funded in the 2021-2022 budget. Recruitment to commence</p>	<p>31 January 2023: Framework received accounts for ISO standard, yet to received Risk Management Policy. No status change.</p> <p>12 December 2022: Workshops were held with ELT and MMG, facilitated by LGIS, to review and prepare the Shire's Risk Management Policy, Framework and Register in July 2022. These documents are currently being reviewed by staff and are proposed to be presented to the Audit and Risk Management Committee in February 2023 - no evidence received.</p> <p>12 June 2022: Meeting scheduled for 16 June 2022 to discuss the evidence required to finalise the implementation of the recommendation.</p>	In Progress
44	22-Apr-21	Risk Management	Staff Adherence and Audits	44. Staff Adherence and Audits Perform regular external or internal independent assessment of Risk Management to identify improvement opportunities.	Medium	Provide examples for risk assessments undertaken	No due date	28 Feb 23: Risk Management review is required to be undertaken every three years in accordance with the Local Government (Audit) Regulations 1996. The next review is due to be conducted in 2023.	28 Feb 23: As per client progress update.	Not Started
45	22-Apr-21	Risk Management	Performance Indicators	45. Performance Indicators Develop, approve, document, monitor and report risk management performance indicators or measures to allow expected performance and actual performance to be compared.	Low	Provide copy of KPI for risk management	No due date	Progress Update: To be incorporated as part of the above and coordinated by the new Audit and Governance Officer and development of a new system. Update – September 2021. Organisational structure incorporating new position has been endorsed by Council and funded in the 2021-2022 budget. Recruitment to commence	12 June 2022: Meeting scheduled for 16 June 2022 to discuss the evidence required to finalise the implementation of the recommendation.	Not Started





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46	22-Apr-21	Risk Management	Survey of Risk Owners, Management, Management, Staff, Contractors & Volunteers	46. Survey of Risk Owners, Management, Staff, Contractors and Volunteers Survey a selection of risk owners, management, staff, contractors and/ or volunteers to identify continuous improvement opportunities.	Low	Provide copy of survey undertaken.	No due date	Progress Update: To be incorporated as part of the above and coordinated by the new Audit and Governance Officer and development of a new system. Update – September 2021. Organisational structure incorporating new position has been endorsed by Council and funded in the 2021-2022 budget. Recruitment to commence	12 June 2022: Meeting scheduled for 16 June 2022 to discuss the evidence required to finalise the implementation of the recommendation.	Not Started
47	22-Apr-21	Grants Management	Application of Grants	47. Application of Grants Improve systems and controls through establishing set criterion to support decision making and authorisation for grant applications	Medium	Provide set criterion for Grants	No due date	Progress Update: Workflow to be developed that ensures that grant applications are assessed against council's priorities and integrated planning documents prior to submission. Grant Register to be expanded to incorporate the requirements of funding and monitor compliance and ensure best practice is met.	12 June 2022: Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	Not Started
48	22-Apr-21	Grants Management	Application of Grants	48. Application of Grants Enforce individual accountability for compliance with the Shire's documented procedures	Medium	Awareness provided i.e. email communications etc to remind employees about Shire's documented procedures.	No due date	Progress Update: Workflow to be developed that ensures that grant applications are assessed against council's priorities and integrated planning documents prior to submission. Grant Register to be expanded to incorporate the requirements of funding and monitor compliance and ensure best practice is met.	12 June 2022: Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	Not Started
49	22-Apr-21	Grants Management	Acquittal of Grants	49. Acquittal of Grants Review documented procedures to include clearer requirements to support grant acquittals to assist with a higher level review for the timely completion and submission of acquittals and audits.	Medium	Provide updated Grants procedures	No due date	Progress Update: Development of suitable reporting system to collate and monitor funding performance data which is reported regularly to each department for review and/or action to be delivered in the new financial year.	12 June 2022: Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	Not Started
50	22-Apr-21	Grants Management	Acquittal of Grants	50. Acquittal of Grants Establish authorised checklists to be completed by each department managing grants to evidence the routine review of grants and the provision of any required information as required by internal policies and procedures.	Medium	Provide examples of checklists completed.	No due date	Progress Update: Development of suitable reporting system to collate and monitor funding performance data which is reported regularly to each department for review and/or action to be delivered in the new financial year.	12 June 2022: Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	Not Started
51	22-Apr-21	Grants Management	Compliance with Grant Conditions	51. Compliance with Grant Conditions Create a grants matrix to allow higher level analysis and review of compliance with grant conditions and clauses.	Medium	Provide Grant matrix	No due date	Progress Update: To be incorporated into the reporting system – as above.	12 June 2022: Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	Not Started
52	22-Apr-21	Grants Management	Compliance with Grant Conditions	52. Compliance with Grant Conditions In addition to the recording of compliance for grant programs, establish a register to maintain records of compliance and non-compliance.	Medium	Provide copy of Grants Compliance Register	No due date	Progress Update: To be incorporated into the reporting system – as above.	12 June 2022: Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	Not Started
53	22-Apr-21	Grants Management	Governance	53. Update internal resource library (intranet) to maintain live documents as required by documented procedures.	Low	Provide screenshots of intranet with live documents as Grants procedures	No due date	Progress Update: To be incorporated into the reporting system – as above.	12 June 2022: Meeting scheduled for 16 June 2022 to discuss the evidence required to finalise the implementation of the recommendation.	Not Started
54	22-Apr-21	Grants Management	Governance	54. Governance Clarify KCA 3 Grants to define expected compliance requirements and create support documents as required to facilitate compliance.	Low	Provide updated KCA 3 with updated compliance requirements	No due date	Progress Update: To be incorporated into the reporting system – as above.	12 June 2022: Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	Not Started



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No	Date of Report	Audit Topic	Finding Title	Recommendation	Risk Rating	Agreed Action	Original Due Date	Client Progress Update	Moore Australia Comment	Status After Assessment
55	22-Apr-21	Grants Management	Governance	55. Enforce individual accountability with documented procedures.	Low	Awareness provided i.e. email communications etc to remind employees about Shire's documented procedures.	No due date	Progress Update: To be incorporated into the reporting system – as above.	12 June 2022: Meeting scheduled for 16 June 2022 to discuss the evidence required to finalise the implementation of the recommendation.	Not Started
56	22-Apr-21	Grants Management	Governance	56 Governance Undertake an evaluation of current grant programs to identify non-compliant grants and action as required.	Low	Provide evidence of evaluation undertaken	No due date	Progress Update: To be incorporated into the reporting system – as above.	12 June 2022: Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	Not Started
57	22-Apr-21	Grants Management	Governance	57. Governance Document appropriate procedures relating to management of community support grants.	Low		No due date	Progress update as of 10 January 2023: Awaiting council approval  Progress Update: Review of REC08 is currently being conducted.	28 Feb 23: Council Policy – Community Donations, Grants and Funding received and adopted by Council.	Completed
58	22-Apr-21	Records Management	Record Keeping Practices	58. Record Keeping Practices The Shire investigate an automated approach to manage information that can detect and classify high risk and high value information across different repositories including Email, Shared Drives, SharePoint, One Drive etc.	Medium	Provide evidence on what the Shire found	No due date	28 Feb 23: An automated system that detects high risk documents across different repositories was considered and determined that this was in excess of the Shire's needs. A business case for a new Records Management System has been approved by the Executive Leadership Team. Funds are to be considered as part of the 2023/2024 Annual Budget.	28 Feb 23: As per client progress update.	In Progress
59	22-Apr-21	Records Management	Record Keeping Practices	59. The Executive Leadership Team reinforces the importance of recordkeeping with the relevant business units' Management. The message should cascade down from the top to all levels within the organisation.	Medium	Awareness provided i.e. email communications etc to remind employees about Shire's documented procedures.	No due date	Progress Update: A new record keeping system has been identified and is currently in its implementation stage. The new system includes the capability to automatically capture data and records based on the Shire's record keeping requirements and will be aligned to the Shire's Record Keeping Plan as well as legislative requirements. Update – February 2022 – Record Keeping System is currently being reviewed, as a review of the proposed new system has indicated that it may not meet the Shire's requirements. The Shire's current record keeping system Synergy Soft Central records is currently being reviewed for its suitability short term and long term.	12 June 2022: Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	In Progress





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60	22-Apr-21	Records Management	Record Keeping Practices	60. Record Keeping Practices Enforce individual accountability for compliance with the Shire's recordkeeping requirements.	Medium	Awareness provided i.e. email communications etc to remind employees about Shire's documented procedures.	No due date	Progress Update: A new record keeping system has been identified and is currently in its implementation stage. The new system includes the capability to automatically capture data and records based on the Shire's record keeping requirements and will be aligned to the Shire's Record Keeping Plan as well as legislative requirements. Update – February 2022 – Record Keeping System is currently being reviewed, as a review of the proposed new system has indicated that it may not meet the Shire's requirements. The Shire's current record keeping system Synergy Soft Central records is currently being reviewed for its suitability short term and long term.	12 June 2022: Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	In Progress
61	22-Apr-21	Records Management	Record Keeping Practices	61. Record Keeping Practices Ensure any updates to the EDRMS comply with legislation and appropriate systems and controls are in place to facilitate its application throughout the organisation.	Medium		No due date	Progress Update: A new record keeping system has been identified and is currently in its implementation stage. The new system includes the capability to automatically capture data and records based on the Shire's record keeping requirements and will be aligned to the Shire's Record Keeping Plan as well as legislative requirements. Update – February 2022 – Record Keeping System is currently being reviewed, as a review of the proposed new system has indicated that it may not meet the Shire's requirements. The Shire's current record keeping system Synergy Soft Central records is currently being reviewed for its suitability short term and long term.	8 February 2023: All updates to SynergySoft Central Records are actioned by its provider, IT Vision who are fully conversant and compliant with State and local government record keeping requirements.	Completed
62	22-Apr-21	Records Management	Record Keeping Plan 2015040	62. Record Keeping Plan 2015040 The Shire consider and implement necessary resources to commence immediate review of the Recordkeeping Plan 2015040.	High		01-Apr-21	Progress Update: The Shire's Record Keeping Plan is being reviewed in conjunction with the implementation of the Shire's new EDRMS and will incorporate requirements and strategies that align to the new systems capabilities. Staff are in regular contact with the State Records Office regarding the review status as well as ensuring that the shire's approach and implementation meets legislative and best practice requirements. It is envisioned that the Record Keeping plan will be finalized within the next 6 months. The plan will incorporate systems for continual monitoring and self-evaluation strategies.	Validated by Moore Australia and closed on 31 October 2022	Completed



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63	22-Apr-21	Records Management	Record Keeping Plan 2015040	63. Record Keeping Plan 2015040 Develop appropriate systems to monitor the implementation of improvements within the Plan, including self evaluated improvements and any actions noted by the State Records Office.	High	Provide process how the Shire monitor implementation of improvements within the RKP	01-Apr-21	2023 April 27: A spreadsheet is being developed to manage the implementation of improvements listed in the Recordkeeping Plan. Following approval of the Plan by the State Records Commission, the spreadsheet will be finalised and it is proposed to report quarterly on the progress to the Executive Leadership Team.  Progress Update: The Shire's Record Keeping Plan is being reviewed in conjunction with the implementation of the Shire's new EDRMS and will incorporate requirements and strategies that align to the new systems capabilities. Staff are in regular contact with the State Records Office regarding the review status as well as ensuring that the shire's approach and implementation meets legislative and best practice requirements. It is envisioned that the Record Keeping plan will be finalized within the next 6 months. The plan will incorporate systems for continual monitoring and self-evaluation strategies.	12 June 2022: Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	In Progress
64	22-Apr-21	Records Management	Language Control	64. Language Control Review, improve and update the systems and controls for language control within record keeping systems.	High	Provide evidence on how the Shire ensure language control in systems	01-Apr-21	28 Feb 23: Improvements/standardised naming conventions are being implemented across the Shire's records management system. A documented approach will be considered in preparation for the implementation of a new records management system.	28 Feb 23: As per client progress update. In Progress	In Progress
65	22-Apr-21	Records Management	Language Control	65. Language Control Consider review of historic records to identify any high risk considerations which require examination and updates for compliance with approved record keeping practices.	High	Did the Shire review this? Provide evidence	01-Apr-21	28 Feb 23: A review of historic records is currently being undertaken. As part of this review, naming conventions are being standardised to allow for documents to be easily located.	28 Feb 23: As per client progress update. In Progress	In Progress



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66	22-Apr-21	Records Management	Training	66. Training Review and update systems and processes for records training to be routinely and consistently included with general commencement inductions.	High		01-Apr-21	<p>Progress as at 2 May 2022: The following courses are being scheduled to run this calendar: Introduction to Managing Business Records in LG; Classification and Indexing of Business Records; Retention and Disposal of Business records - all facilitated by WALGA, to be delivered this calendar year still</p> <p>Progress Update: Organisational training on the new EDRMS will be conducted as part of its implementation. Training for new employees will be incorporated on induction utilising the appropriate platforms. Regular evaluation of the Shire's EDRMS performance, in line with the RKP, will provide guidance of the ongoing training requirements to be delivered.</p>	<p>8 February 2023: All new staff are provided with a records induction/training session within the first week of commencement. Records filing guides and instructions are provided together with follow up training as required.</p> <p>12 June 2022: Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.</p>	Completed
67	22-Apr-21	Records Management	Training	67. Training In addition to the induction training, refresher training is conducted for all Management, staff, contractors and volunteers periodically. Records training could, for example, initially be undertaken annually then increased in timeframe when there is evidence of improvement in compliance posture.	High		01-Apr-21	<p>Progress as at 2 May 2022: HR has requested Corporate Services to develop content in consultation with HR for an online e-learning course. With Corporate Services.</p> <p>Progress Update: Organisational training on the new EDRMS will be conducted as part of its implementation. Training for new employees will be incorporated on induction utilising the appropriate platforms. Regular evaluation of the Shire's EDRMS performance, in line with the RKP, will provide guidance of the ongoing training requirements to be delivered.</p>	<p>8 February 2023: Evidence of training provided</p> <p>12 June 2022: Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.</p>	Completed



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68	22-Apr-21	Records Management	Training	68. Training of a records management champion in either each core business unit, or as a general support function, to provide support and guidance to all staff on records management matters. This will allow for an "expert" in the field, with hands on understanding of the challenges of each system	High		01-Apr-21	<p>Progress as at 2 May 2022: Appointed Records Coordinator, commencing in May. Also appointed Manager Governance, commencing 1 June. Once these new employees commence, we will identify a records champion and work with them to arrange for super user training for the identified employee. Part of our blended learning framework is knowledge share, including, not allowing employees to work in isolation.</p> <p>Progress Update: Organisational training on the new EDRMS will be conducted as part of its implementation. Training for new employees will be incorporated on induction utilising the appropriate platforms. Regular evaluation of the Shire's EDRMS performance, in line with the RKP, will provide guidance of the ongoing training requirements to be delivered.</p>	<p>8 February 2023: The Records and Customer Service Coordinator commenced 19 September 2022. This role is responsible for managing the Shire's records, systems and education of end users. The incumbent holds a Diploma in Recordkeeping.</p> <p>12 June 2022: Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.</p>	Completed
69	22-Apr-21	Records Management	Training	69. Training Test backup procedures, usability and readability of backup tapes/discs on a regular basis.	Medium	Provide test backup procedured	No due date	<p>Progress update as at: Corporate Services to arrange via their external ICT or other consulting providers</p> <p>Progress Update: The proposed new system is backed up in accordance with industry best practices standards. Regular testing to take place one system is operational, in line with the Shire's Record Keeping Plan.</p>	12 June 2022: Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	In Progress
70	22-Apr-21	Records Management	Key Performance Indicators	70. Key Performance Indicators Refine and develop criteria to assess the performance of the recordkeeping program.	Medium	Provide riteria to assess the performance of the recordkeeping program	01-Apr-21	Progress Update: Collection and review of statistics will commence on the implementation of the new EDRSM and will form part of the Shire's performance management platform and written into the Shire's reviewed Record Keeping Plan.	12 June 2022: Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	Not Started
71	22-Apr-21	Records Management	Key Performance Indicators	71. Key Performance Indicators Implement a survey mechanism to measure levels of staff satisfaction with recordkeeping operations.	Medium	Provide evidence of survey completed	01-Apr-21	Progress Update: Collection and review of statistics will commence on the implementation of the new EDRSM and will form part of the Shire's performance management platform and written into the Shire's reviewed Record Keeping Plan.	12 June 2022: Meeting request sent to RO to discuss the evidence required to finalise the implementation of the recommendation.	Not Started
72	22-Apr-21	Records Management	Website Management	72. Website Management Investigate appropriate system solution to capture corporate information published in social media, including internet website.	Medium	Have the Shire decided on a system solution to capture corporate information published in social media, including internet website?	No due date	<p>28 Feb 23: A business case for a new Records Management System has been approved by the Executive Leadership Team. Funds are to be considered as part of the 2023/2024 Annual Budget.</p>	<p>28 Feb 23: As per client progress update. In Progress</p>	In Progress



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73	15-Jul-22	Records Management 22	Record Keeping Policies and supporting Procedures	Review the policies and guidelines and develop supporting operating procedures to ensure they reflect current practice requirements	Medium	Evidence of updated policies, procedures and SOP's.	31-Dec-22	2023 April 27: •Digital Information and Records Policy (adopted by Council 11/10/22) •Elected Member Recordkeeping (adopted by Council 14/3/23) •Incoming and Outgoing Mail, Internal Mail and Records Disposal procedures (approved by Manager Governance 27/3/23) •Records Directive and User Guide review to commence in May 2023.  12 December 2022: Policy ADM04 Digital Information and Records has been reviewed and submitted to Council for adoption 11 October 2022.  31 October 22: Digital Information and Records Policy endorsed by Council 11 October 2022. Review of operating procedures and directives commenced. Council minutes – 11 October 2022 Council attachments – 11 October 2022.	2023 April 12: Evidence of updated policies + procedures provided as a part of updated RKP. Closed. 12 December 2022: Policy ADM04 Digital Information and Records has been reviewed and submitted to Council for adoption 11 October 2022 - received - requires further evidence.	Completed
74	15-Jul-22	Records Management 22	Record Keeping Policies and supporting Procedures	Ensure the records management policies and guidelines and operating procedures are approved by the CEO or Executive Leadership Team	Medium	Was it approved by the CEO? Evidence	31-Dec-22	2023 April 27: •Digital Information and Records Policy (adopted by Council 11/10/22) •Elected Member Recordkeeping (adopted by Council 14/3/23) •Incoming and Outgoing Mail, Internal Mail and Records Disposal procedures (approved by Manager Governance 27/3/23) •Records Directive and User Guide review to commence in May 2023.  31 October 22: Digital Information and Records Policy endorsed by Council 11 October 2022. Review of operating procedures and directives commenced. Council minutes – 11 October 2022 Council attachments – 11 October 2022.	2023 April 27: Evidence of approved policies and procedures relating to Records received. Validated.  2023 April 12: Policies + procedures within RKP do not specify whom was the approver.	Completed
75	15-Jul-22	Records Management 22	Record Keeping Policies and supporting Procedures	Communicate the Records Management Policies and operating procedures to all staff within the organisation	Medium		31-Dec-22	Records Coordinator sent email to all staff with procedure manual and guidelines.	12 December 2022: Moore Australia did Receive the Email the Shire sent out to the Shire Staff. The email did offer one on one training and also gave links to the Shire Records User Guide. It also talks about providing records induction training and follow up training.	Completed



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76	15-Jul-22	Records Management 22	Record Keeping Policies and supporting Procedures	Copies of the Records Management Policies and operating procedures be made available and easily accessible to staff and relevant contractors at induction and ongoing basis	Medium		31-Dec-22	31 October 2022: All Council policies are available on the Shire's website. Records User Guide, procedures and guidelines are available on AIMS.	8 February 2023: All current records management internal documents are available on the Shire's intranet (AIMS) under Governance. The Policy is available on the Shire's website and there is a link to all policies available via AIMS.	Completed
77	15-Jul-22	Records Management 22	Record Keeping Policies and supporting Procedures	Establish a program of reviewing the Records Management policies and procedures at a minimum every two years.	Medium	Evidence that policies and procedures will be reviewed every 2 years.	31-Dec-22	28 Feb 23: Policy review due date set to 2 years (see attached policy). Directive and procedure templates also include a section in the document control box to detail the next review date. Directives will be reviewed every 2 years. Procedures will be reviewed annually at a minimum, or as and when required.	2023 April 12: Sufficient evidence of reviews being undertaken included within updated RKP. Closed. 28 Feb 23: As per client progress update.	Completed
78	15-Jul-22	Records Management 22	Record Keeping plan (Statutory obligation)	Review the Record Keeping Plan to ensure they reflect current practice requirements	High	Provide updated and approved RKP.	31-Dec-22	28 Feb 23: A review of the Recordkeeping Plan is currently underway. The plan will be submitted to the State Records Commission for consideration at its next meeting to be held May 2023.	2023 April 12: Updated RKP provided. Completed. 28 Feb 23: As per client progress update.	Completed
79	15-Jul-22	Records Management 22	Record Keeping plan (Statutory obligation)	Ensure that it is approved by the CEO or Executive management and the State Records Commission.	High	Was RKP approved by CEO and SRO?	31-Dec-22	28 Feb 23: A review of the Recordkeeping Plan is currently underway. The plan will be submitted to the State Records Commission for consideration at its next meeting to be held May 2023.	2023 April 12: Updated RKP provided, signed by CEO and provided to SRC for approval. Completed. 28 Feb 23: As per client progress update.	Completed
80	15-Jul-22	Records Management 22	Records Management System	Map all record keeping systems currently used within the Shire	High	Evidence of system mapping?	31-Dec-22	28 Feb 23: A review of all recordkeeping systems used at the Shire has been conducted and has been documented in the draft Recordkeeping Plan.	2023 April 12: Sufficient evidence provided within updated RKP. Closed. 28 Feb 23: As per client progress update.	Completed
81	15-Jul-22	Records Management 22	Records Management System	CEO approve which records systems should be used for records management	High	Evidence of system to be used for RKP approved by CEO.	31-Dec-22		8 February 2023: The Shire has investigated alternative records management systems. A report is being prepared for the Executive Leadership Team to endorse a preferred new system.	In Progress
82	15-Jul-22	Records Management 22	Records Management System	Communicate the approved list of records systems to all staff, including their responsibilities	High	Awareness provided i.e. email communications etc to remind employees about Shire's documented procedures.	31-Dec-22			In Progress
83	15-Jul-22	Records Management 22	Records Management System	Ensure that the systems are regularly maintained and key documents remain current.	High	Evidence indicating maintenance of systems	31-Dec-22	2023 April 27: Key documents have/are being reviewed as detailed above. System updates (provided by IT Vision) are being implemented as and when they are received.	2023 April 27: Evidence of synergy systems maintenance received. Validated.	Completed
84	15-Jul-22	Records Management 22	Systems access and records classification	Develop a document or register that classifies key records by access or confidential level and the associated security classification	Medium	Provide register that classifies key records or confidential level and the associated security classification	30-Jun-23			Not Started



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85	15-Jul-22	Records Management 22	Systems access and records classification	Ensure that the document is approved by the CEO or the relevant delegated authority	Medium	Was it approved by the CEO? Evidence	30-Jun-23	31 October 2022: A review of the Shire's Recordkeeping Plan has commenced. This will be included in this review. It is anticipated the review will be finalised by 31 December 2022.		In Progress
86	15-Jul-22	Records Management 22	Systems access and records classification	Communicate to relevant staff	Medium	Awareness provided i.e. email communications etc to remind employees about Shire's documented procedures.	30-Jun-23			Not Started
87	15-Jul-22	Records Management 22	Systems access and records classification	Ensure that records are classified as per the approved document.	Medium	Provide evidence to show classification.	30-Jun-23			Not Started
88	15-Jul-22	Records Management 22	Training Program for Records Management	Establish an ongoing training program for all staff on records management including refresher training	Medium		30-Jun-23		8 February 2023: All new staff are provided with a records induction/training session within the first week of commencement. Records filing guides and instructions are provided together with follow up training as required.	Completed
89	15-Jul-22	Records Management 22	Training Program for Records Management	Ensure that the program is approved by the CEO or the delegated authority	Medium		30-Jun-23		8 February 2023: All new staff are provided with a records induction/training session within the first week of commencement. Records filing guides and instructions are provided together with follow up training as required.	Completed
90	15-Jul-22	Records Management 22	Training Program for Records Management	Maintain an up to date log of when staff last completed their training	Medium		30-Jun-23	31 October 2022: In August 2022, the Records team commenced recording training of staff in a register.	Validated by Moore Australia and closed on 31 October 2022	Completed
91	15-Jul-22	Records Management 22	Training Program for Records Management	Set minimum timeframes for when staff should attend the refresher training	Medium	Provide threshold of when staff should receive refresher training	30-Jun-23		8 February 2023: Minimum timeframes for staff refresher training will be included in the Recordkeeping Plan. The review of this document is in progress.	In Progress
92	15-Jul-22	Records Management 22	Training Program for Records Management	Ensure staff the attend the training and refresher courses.	Medium		30-Jun-23		8 February 2023: Validated by Moore through training register.	Completed
93	15-Jul-22	Records Management 22	Sustained program for Records disposal	Establish a sustained annual program of records disposal and retention	Medium	Provide annual plan for disposal of records	31-Dec-23	31 October 2022: A review of the Shire's Recordkeeping Plan has commenced. This will be included in this review. It is anticipated the review will be finalised by 31 December 2022.	2023 April 27: Records Disposal procedure mentions annual calendar and financial year disposal programs + ad hoc disposals. Validated.  8 February 2023: Preparation of annual disposal of records due for destruction has commenced on the backlog of stored records. Future disposal programs will be on a financial year basis in general. Details will be documented in the Recordkeeping Plan which is currently under review.	Completed





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94	15-Jul-22	Records Management 22	Sustained program for Records disposal	Conduct a risk assessment to determine which records will be retained as state archives or disposed	Medium	Provide risk assessment conducted on records for state archiving	31-Dec-23	31 October 2022: A review of the Shire's Recordkeeping Plan has commenced. This will be included in this review. It is anticipated the review will be finalised by 31 December 2022.		In Progress
95	15-Jul-22	Records Management 22	Sustained program for Records disposal	Ensure all approvals are sought and evidence and relevant records are maintained.	Medium	Provide evidence of approvals	31-Dec-23			Not Started
96	15-Jul-22	Records Management 22	Management Reporting on the Shire's Records Management Practices	Develop KPI's for monitoring compliance and performance of the records and information management function	Medium	Provide KPI's for compliance and performance	30-Jun-23			Not Started
97	15-Jul-22	Records Management 22	Management Reporting on the Shire's Records Management Practices	Ensure KPI's are approved by the Executive or relevant delegated authority	Medium	Was it approved by ELT member or delegated authority	30-Jun-23			Not Started
98	15-Jul-22	Records Management 22	Management Reporting on the Shire's Records Management Practices	Have a standard agenda item on a regular basis to discuss records management matters; and	Medium	Provide example of agenda paper where records management was discussed.	30-Jun-23			Not Started
99	15-Jul-22	Records Management 22	Management Reporting on the Shire's Records Management Practices	Regularly report to the Executive and Audit and Risk Committee level	Medium	Examples of reports to ELT and ARC.	30-Jun-23			Not Started
100	15-Jul-22	Records Management 22	Compliance Monitoring and Evaluation	Determine the frequency and method of monitoring compliance	Medium	How does the Shire monitor compliance of records management	30-Jun-23			Not Started
101	15-Jul-22	Records Management 22	Compliance Monitoring and Evaluation	Regularly monitor; and report to executive and the Audit and Risk Committee the outcomes.	Medium	Examples of reports to ELT and ARC.	30-Jun-23			Not Started
102	15-Jul-22	Records Management 22	Records Emergency Management Plan	Review the Records Emergency Management Plan	Medium	Provide update of Records Emergency Management Plan	31-Dec-23	12 December 2022: The review of the Records Emergency Management Plan has commenced and is being undertaken in conjunction with the Recordkeeping Plan review. It is proposed these documents will be presented to the State Records Office by 31 December 2022.  31 October 2022: A review of the Shire's Recordkeeping Plan has commenced. This will be included in this review. It is anticipated the review will be finalised by 31 December 2022.	12 December 2022: The review of the Records Emergency Management Plan has commenced and is being undertaken in conjunction with the Recordkeeping Plan review. It is proposed these documents will be presented to the State Records Office by 31 December 2022 - no evidence received.	In Progress
103	15-Jul-22	Records Management 22	Records Emergency Management Plan	Ensure it is approved by the CEO and the relevant delegated authority	Medium	Was it approved by CEO	31-Dec-23	31 October 2022: A review of the Shire's Recordkeeping Plan has commenced. This will be included in this review. It is anticipated the review will be finalised by 31 December 2022.		In Progress





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104	15-Jul-22	Records Management 22	Records Emergency Management Plan	Made available to all staff.	Medium	Provided to staff? How? Email, Intranet, through learning. Provide examples.	31-Dec-23			Not Started
105	01-Nov-22	Cyber Security	Cyber Security Framework and Supporting Operational Procedures	Establish a Cybersecurity Framework and supporting procedures that align with the WA Government Cybersecurity Policy and the Australian Government Information Security Manual	High	Develop a Cybersecurity Framework and supporting procedures that align with the WA Government Cybersecurity Policy and the Australian Government Information Security Manual	31-Dec-22		8 February 2023: Cybersecurity Framework is currently being drafted.	In Progress
106	01-Nov-22	Cyber Security	Cyber Security Framework and Supporting Operational Procedures	Ensure the Cyber Security Framework and supporting operating procedures are approved by the CEO, Executive Leadership Team or the relevant delegated authority	High	Have the Cybersecurity Framework endorsed by the ICT Working group and Executive Leadership Team	31-Jan-23		8 February 2023: Cybersecurity Framework is currently being drafted	In Progress
107	01-Nov-22	Cyber Security	Cyber Security Framework and Supporting Operational Procedures	Ensure the Cyber Security Framework and supporting operating procedures are approved by the CEO, Executive Leadership Team or the relevant delegated authority	High	Have the supporting operating procedures approved by the Director Corporate Services	28-Feb-23		8 February 2023: Cybersecurity Framework is currently being drafted	In Progress
108	01-Nov-22	Cyber Security	Cyber Security Framework and Supporting Operational Procedures	Communicate the framework and supporting operating procedures to all staff within the organisation	High	Communicate the framework and supporting operating procedures to all staff within the organisation;	31-Mar-23		8 February 2023: Cybersecurity Framework is currently being drafted	In Progress
109	01-Nov-22	Cyber Security	Cyber Security Framework and Supporting Operational Procedures	Copies of the framework and operating procedures be made available and easily accessible to staff and relevant contractors at induction and ongoing basis	High	Copies of the framework and operating procedures be made available and easily accessible to staff and relevant contractors at induction and ongoing basis;	31-Mar-23		8 February 2023: Cybersecurity Framework is currently being drafted	In Progress
110	01-Nov-22	Cyber Security	Cyber Security Framework and Supporting Operational Procedures	Establish a program of reviewing framework and operating procedures at a minimum every two years	High	Establish a program of reviewing framework and operating procedures at a minimum every two years.	31-Jan-23		8 February 2023: Cybersecurity Framework is currently being drafted	In Progress
111	01-Nov-22	Cyber Security	Staff Awareness and Training on Cyber Security	Establish cybersecurity training at induction, and an ongoing training program for all staff on cybersecurity awareness including refresher training	High	Establish cybersecurity training at induction, and an ongoing training program for all staff on cybersecurity awareness including refresher training.	30-Apr-23			Not Started
112	01-Nov-22	Cyber Security	Staff Awareness and Training on Cyber Security	Maintain an up-to-date log of when staff last completed their training	High	Maintain an up-to-date log of when staff last completed their training.	30-Jun-23			Not Started
113	01-Nov-22	Cyber Security	Risk Assessment for Cyber Security threats	Conduct cyber security risk assessment at planned intervals (including using existing information to inform the assessments)	Medium	Schedule of planned intervals for conducting cybersecurity risk assessments to be incorporated into the Cybersecurity Framework and operating procedures	28-Feb-23			Not Started
114	01-Nov-22	Cyber Security	Risk Assessment for Cyber Security threats	Retain documented information of the results of the risk assessment	Medium	Register maintained of risk assessments conducted in accordance with the framework and procedures	30-Sep-23			Not Started
115	01-Nov-22	Cyber Security	Risk Assessment for Cyber Security threats	Update key governance documents and processes post performing the risk assessment	Medium	Register maintained of risk assessments conducted in accordance with the framework and procedures	30-Sep-23			Not Started



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116	01-Nov-22	Cyber Security	Testing for control weakness and Cyber security threats (including penetration testing)	Establish an annual program of testing vulnerabilities (including penetration testing) which can be performed in house by staff with appropriate skills and experience or externally by consultants	Medium	Incorporate an annual program of testing vulnerabilities into the Cybersecurity Framework and supporting operating procedures	31-Jan-23			Not Started
117	01-Nov-22	Cyber Security	Testing for control weakness and Cyber security threats (including penetration testing)	Develop processes for documenting and addressing identified vulnerabilities in a timely manner	Medium	Develop processes for documenting and addressing identified vulnerabilities in a timely manner.	28-Feb-23			Not Started
118	01-Nov-22	Cyber Security	Physical security of key assets (including Server rooms)	Ensure that physical access to the server room is restricted to only those with authorised access to protected information systems and monitored to prevent unauthorised access and accidental damage	Medium	Review current security measures and incorporate acceptable restrictions for authorised access into the Shire's Cybersecurity Framework	31-Jan-23		23 February 2023: With the current uses of the server room, it is not possible to restrict access in this way	In Progress
119	01-Nov-22	Cyber Security	Physical security of key assets (including Server rooms)	Ensure that physical access to the server room is restricted to only those with authorised access to protected information systems and monitored to prevent unauthorised access and accidental damage	Medium	Ensure security measures included in the framework are implemented	30-Sep-23		23 February 2023: With the current uses of the server room, it is not possible to restrict access in this way	In Progress
120	01-Nov-22	Cyber Security	Reporting of Cyber Security Incidents and Threats	Establish processes for identifying recording and reporting cyber security incidents to the relevant external entities and internally to the relevant authority	Medium	Incorporate cybersecurity recording, and reporting measures and frequency in the Cybersecurity Framework, including regular reporting to the ICT Working Group and Executive Leadership Team	31-Jan-23		8 February 2023: Cybersecurity Framework is currently being drafted	In Progress
121	01-Nov-22	Cyber Security	Reporting of Cyber Security Incidents and Threats	Determine the frequency and key areas that the reporting will cover	Medium	Incorporate cybersecurity recording, and reporting measures and frequency in the Cybersecurity Framework, including regular reporting to the ICT Working Group and Executive Leadership Team	31-Jan-23		8 February 2023: Cybersecurity Framework is currently being drafted	In Progress
122	01-Nov-22	Cyber Security	Strategies and Plans for Recovery from Cyber security attacks and Threats	Develop an ICT Disaster Recovery Plan which outlines the overall strategy for recovery ICT (including Cybersecurity threats and incidents), reasons and the activities required to implement the strategy, including timeliness for recovering each specific technology component as required by the Shire	Medium	Develop an ICT Disaster Recovery Plan which outlines the overall strategy for recovery ICT (including cybersecurity threats and incidents), reasons and the activities required to implement the strategy, including timeliness for recovering each specific technology component as required by the Shire	31-Jan-23		23 February 2023: First draft completed	In Progress
123	01-Nov-22	Cyber Security	Strategies and Plans for Recovery from Cyber security attacks and Threats	Review the end-of-life cycle of the backup Information and Communication Technology infrastructure installed at the airport in late 2016	Medium	Review the end-of-life cycle of the backup ICT infrastructure installed at Onslow Airport in late 2016	Review completed		23 February 2023: No evidence provided to close the recommendation.	In Progress



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124	01-Nov-22	Cyber Security	Strategies and Plans for Recovery from Cyber security attacks and Threats	Review the end-of-life cycle of the backup Information and Communication Technology infrastructure installed at the airport in late 2016	Medium	Develop an ICT asset replacement program	30-Jun-23		28 Feb 23: Management considers closed - no evidence received.	In Progress
125	01-Nov-22	Cyber Security	Strategies and Plans for Recovery from Cyber security attacks and Threats	Replace the backup infrastructure at the Shire's disaster recovery site (Onslow Airport) at end of its expected life cycle	Medium	Replace the backup infrastructure at the Shire's disaster recovery site (Onslow Airport) at end of its expected life cycle	30-Sep-23			Not Started
126	01-Nov-22	Cyber Security	Management of removable media devices (USB and Flash drives) & Trusted Insider Program	Establish a removeable media arrangement or policy that outlines the Shires expectation on the use, handling and protection of removable media	High	Agree in part. Options will need to be discussed with ELT. Incorporate removeable media arrangements into the Cybersecurity Framework	31-Jan-23		8 February 2023: Cybersecurity Framework is currently being drafted	In Progress
127	01-Nov-22	Cyber Security	Management of removable media devices (USB and Flash drives) & Trusted Insider Program	Establish arrangements for monitoring unauthorised data access and excessive use of removable media	High	Agree in part. Options will need to be discussed with ELT. Incorporate monitoring arrangements of non-permitted use of removable media into the Cybersecurity Framework	31-Jan-23		8 February 2023: Cybersecurity Framework is currently being drafted	In Progress
128	01-Nov-22	Business Continuity, Disaster Recovery and Incident Management	Business continuity management arrangements	Review the Shire's Business Continuity Management Arrangements (BCMA) to ensure they reflect current practice requirements and better practice principles from AS ISO 22301:2020 Security and Resilience	Medium	There is no reason for the BCMA's to record the Local Recovery Centers (LRC). LRCs are for community use and do not play a role in BCMA. It should be remembered that they are separate processes. It is agreed that a system should be put in place to ensure the BCMA is updated annually, and all appropriate measures are put in place to ensure it is relevant, staff are aware of it and hard copies are maintained. This should commence with internal ownership being assigned and a consultant engaged to train and assist staff to develop BCMA's for service units and the organization as a whole. Review Business Continuity Management Arrangements (BCMA) ensuring it adheres current practice requirements and better practice principles from AS ISO 22301:2020 Security and Resilience.	30-Sep-23			Not Started
129	01-Nov-22	Business Continuity, Disaster Recovery and Incident Management	Business continuity management arrangements	Ensure the BCMA, are approved by the CEO or Executive Leadership Team	Medium	Have the BCMA approved by the Executive Leadership Team.	31-Dec-23			Not Started



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130	01-Nov-22	Business Continuity, Disaster Recovery and Incident Management	Business continuity management arrangements	Communicate the BCMA, to all staff within the organisation	Medium	Communicate the BCMA to all staff within the organisation.	31-Jan-24			Not Started
131	01-Nov-22	Business Continuity, Disaster Recovery and Incident Management	Business continuity management arrangements	Copies of the BCMA, be made available and easily accessible to staff and relevant contractors at induction and ongoing basis; and hard copies to be retained by those with BCP role responsibilities within the Shire	Medium	BCMA be made available and easily accessible to staff and relevant contractors at induction and ongoing basis; and hard copies to be retained by those with BCP role responsibilities within the Shire.	31-Jan-24			Not Started
132	01-Nov-22	Business Continuity, Disaster Recovery and Incident Management	Business continuity management arrangements	Establish a program of reviewing the Business Continuity Management Arrangements, at a minimum every one year	Medium	Review frequency to be incorporate in the revised Business Continuity Management Arrangements.	30-Sep-23			Not Started
133	01-Nov-22	Business Continuity, Disaster Recovery and Incident Management	Risk and Business Impact Assessment	Conduct Risk Assessment and Business Impact Assessment	Medium	Shire to engage a suitably qualified consultant to ensure these measures are implemented. Incorporate Risk and Business Impact Assessment into Shire Business Continuity Management Arrangements, including regular reviews.	30-Sep-23			Not Started
134	01-Nov-22	Business Continuity, Disaster Recovery and Incident Management	Risk and Business Impact Assessment	Use findings to update the business continuity arrangements	Medium	Shire to engage a suitably qualified consultant to ensure these measures are implemented. Identified findings to be incorporate in the review of the Shire Business Continuity Management Arrangements.	30-Sep-24			Not Started
135	01-Nov-22	Business Continuity, Disaster Recovery and Incident Management	Disaster Recovery (ICT Infrastructure)	Develop an ICT Disaster recovery plan which outlines the overall strategy for recovery ICT reasons and the activities required to implement the strategy, including timeliness for recovering each specific technology component as required by the Shire	Medium	Develop an ICT Disaster Recovery Plan which outlines the overall strategy for recovery ICT (including cybersecurity threats and incidents), reasons and the activities required to implement the strategy, including timeliness for recovering each specific technology component as required by the Shire;	31-Jan-23		28 Feb 23: In progress - draft completed.	In Progress
136	01-Nov-22	Business Continuity, Disaster Recovery and Incident Management	Disaster Recovery (ICT Infrastructure)	Review the end-of-life cycle of the backup Information and Communication Technology infrastructure installed at the airport in late 2016	Medium	Review the end-of-life cycle of the backup ICT infrastructure installed at Onslow Airport in late 2016;	Review completed		28 Feb 23: Management considers closed - no evidence received.	In Progress



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137	01-Nov-22	Business Continuity, Disaster Recovery and Incident Management	Disaster Recovery (ICT Infrastructure)	Review the end-of-life cycle of the backup Information and Communication Technology infrastructure installed at the airport in late 2016	Medium	Develop an ICT asset replacement program.	30-Jun-23		28 Feb 23: Management considers closed - no evidence received.	In Progress
138	01-Nov-22	Business Continuity, Disaster Recovery and Incident Management	Disaster Recovery (ICT Infrastructure)	Replace the backup infrastructure at the Shire's disaster recovery site (Onslow Airport) at end of its expected life cycle	Medium	Replace the backup infrastructure at the Shire's disaster recovery site (Onslow Airport) at end of its expected life cycle.	30-Sep-23			Not Started
139	01-Nov-22	Business Continuity, Disaster Recovery and Incident Management	Scenario Testing and Post exercise review	Establish a program of exercising and testing of the BCP arrangements	Medium	Scenario testing should be completed by a facilitator and staff with a post exercise review undertaken. Establish a program of exercising and testing of the BCP arrangements;	30-Sep-23			Not Started
140	01-Nov-22	Business Continuity, Disaster Recovery and Incident Management	Scenario Testing and Post exercise review	Ensure the program is performed on a timely basis	Medium	Scenario testing should be completed by a facilitator and staff with a post exercise review undertaken. Ensure the program is performed on a timely basis;	30-Sep-24			Not Started
141	01-Nov-22	Business Continuity, Disaster Recovery and Incident Management	Scenario Testing and Post exercise review	Document post testing exercise reports that contain outcomes, recommendations and actions to implement improvements	Medium	Scenario testing should be completed by a facilitator and staff with a post exercise review undertaken. Document post testing exercise reports that contain outcomes, recommendations and actions to implement improvements.	30-Sep-24			Not Started
142	01-Nov-22	Business Continuity, Disaster Recovery and Incident Management	Staff awareness and training	Establish an ongoing training program for staff on business continuity including refresher training	Medium	Budget should be amended to provide appropriate training.	30-Sep-23			Not Started
143	01-Nov-22	Business Continuity, Disaster Recovery and Incident Management	Staff awareness and training	Ensure that the program is approved by the CEO or the delegated authority	Medium	Budget should be amended to provide appropriate training. Ensure that the program is approved by the CEO or the delegated authority	31-Oct-23			Not Started
144	01-Nov-22	Business Continuity, Disaster Recovery and Incident Management	Staff awareness and training	Maintain an up-to-date log of when staff last completed their training	Medium	Budget should be amended to provide appropriate training. Maintain an up-to-date log of when staff last completed their training	30-Jun-24			Not Started
145	01-Nov-22	Business Continuity, Disaster Recovery and Incident Management	Staff awareness and training	Set minimum timeframes for when staff should attend the refresher training	Medium	Budget should be amended to provide appropriate training. Set minimum timeframes for when staff should attend the refresher training	30-Sep-23			Not Started



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146	01-Nov-22	Business Continuity, Disaster Recovery and Incident Management	Staff awareness and training	Ensure staff the attend the training and refresher courses	Medium	Budget should be amended to provide appropriate training. Ensure staff the attend the training and refresher courses.	30-Jun-24			Not Started
147	01-Nov-22	Business Continuity, Disaster Recovery and Incident Management	Reporting to the Executive, Audit and Risk Committee and Council	Develop reporting and for monitoring compliance and performance of the Shire's business continuity management arrangements	Medium	Appropriate governance framework should be developed whilst undertaking a major review. Develop reporting for monitoring compliance and performance of the Shire's business continuity management arrangements	30-Jun-24			Not Started
148	01-Nov-22	Business Continuity, Disaster Recovery and Incident Management	Reporting to the Executive, Audit and Risk Committee and Council	Ensure the requirements are approved by the CEO, Executive or relevant delegated authority	Medium	Appropriate governance framework should be developed whilst undertaking a major review. Ensure the requirements are approved by the CEO, Executive or relevant delegated authority;	30-Jun-24			Not Started
149	01-Nov-22	Business Continuity, Disaster Recovery and Incident Management	Reporting to the Executive, Audit and Risk Committee and Council	Regularly report to the executive and Audit and Risk Committee level	Medium	Appropriate governance framework should be developed whilst undertaking a major review. Regularly report to the Executive Leadership Team.	30-Sep-24			Not Started
150	01-Nov-22	Business Continuity, Disaster Recovery and Incident Management	Compliance Monitoring	Determine the frequency and method of monitoring compliance	Medium	Determine the frequency and method of monitoring compliance	30-Jun-24			Not Started
151	01-Nov-22	Business Continuity, Disaster Recovery and Incident Management	Compliance Monitoring	Regularly monitor; and Report to executive and the Audit and Risk Committee the outcomes	Medium	Regularly monitor; and report to the Executive Leadership Team on the outcomes.	30-Sep-24			Not Started
152	01-Nov-22	Business Continuity, Disaster Recovery and Incident Management	Budget for Business Continuity Management	The Shire should allocate a budget for its business continuity, which covers activities such as training, scenario testing, hiring of consultants where required	Low	Allocate a budget for business continuity, which covers activities such as training, scenario testing, hiring of consultants where required.	31-Aug-23			Not Started
153	01-Nov-22	Business Continuity, Disaster Recovery and Incident Management	Budget for Business Continuity Management	The Shire should allocate a budget for its business continuity, which covers activities such as training, scenario testing, hiring of consultants where required	Low	Allocate a budget for business continuity, which covers activities such as training, scenario testing, hiring of consultants where required.	31-Aug-23			Not Started
154	09-Jun-22	Building Permit Application Process	Overarching Policy and Supporting procedures	Develop an overarching policy for building services including the management of development and demolition application process;	Medium	Develop a Directive for building services, including the management of development and demolition application processes.	31-Jan-23			Not Started
155	09-Jun-22	Building Permit Application Process	Overarching Policy and Supporting procedures	Review the existing operating manual and include guidance on key aspects of the management of building permit application such as recording times and monitoring compliance;	Medium		30-Nov-22		12 December 2022: Administration Officer Building Services Procedures updated.	Completed





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No	Date of Report	Audit Topic	Finding Title	Recommendation	Risk Rating	Agreed Action	Original Due Date	Client Progress Update	Moore Australia Comment	Status After Assessment
156	09-Jun-22	Building Permit Application Process	Overarching Policy and Supporting procedures	Ensure that the policy is approved by the CEO or Executive Leadership Team	Medium	Have the Directive endorsed by the Executive Leadership Team.	28-Feb-23			Not Started
157	09-Jun-22	Building Permit Application Process	Overarching Policy and Supporting procedures	Ensure that the operating procedure is approved by the CEO or Executive Leadership Team	Medium	Have the updated Building Services Procedures Manual endorsed by the Director People and Place.	31-Jan-23		27 April 23: Building Procedure Manual provided.	Completed
158	09-Jun-22	Building Permit Application Process	Overarching Policy and Supporting procedures	Communicate the policy to relevant staff.	Medium	Communicate the Directive to the relevant staff.	31-Mar-23			Not Started
159	09-Jun-22	Building Permit Application Process	Overarching Policy and Supporting procedures	Communicate the policy to relevant staff.	Medium	Communicate the updated Building Services Procedures Manual to the relevant staff.	28-Feb-23		2023 April 26: Evidence of email communicating procedure manual to relevant management for dispersion provided. Closed.	Completed
160	09-Jun-22	Building Permit Application Process	Staff Training	Establish an ongoing training program for all staff, including staff responsible for building application and demolition permit applications.	Medium		30-Nov-22		8 February 2023: The Building Application Process map was developed and is referenced in the Procedure Manual.  12 December 2022: Procedure includes reference to the "Building Checklist" which is a separate form.	Completed
161	09-Jun-22	Building Permit Application Process	Staff Training	Establish an ongoing training program for all staff, including staff responsible for building application and demolition permit applications.	Medium	Ensure that training on job requirements, including understanding of policies, directives and procedures is included in the relevant employee's on-boarding documentation.	30-Nov-22			Not Started
162	09-Jun-22	Building Permit Application Process	Staff Training	Establish an ongoing training program for all staff, including staff responsible for building application and demolition permit applications.	Medium	Ensure that confirmation of job requirements, including understanding of policies, directives and procedures is included in the relevant employee's annual performance review process and any gaps identified are listed as development goals.	30-Nov-22			Not Started
163	09-Jun-22	Building Permit Application Process	Identification and Management of Conflict of Interest	Establish and implement processes for identifying, recording and managing potential conflicts of interest that arise when assessing building and demolition permit applications	High	Create a conflict-of-interest declaration requirement for all Shire staff involved in application process.	30-Nov-22	1 March 2023: Started – identified in Approval Process.	27 April 23: Building Procedure Manual provided.	Completed
164	09-Jun-22	Building Permit Application Process	Identification and Management of Conflict of Interest	Establish and implement processes for identifying, recording and managing potential conflicts of interest that arise when assessing building and demolition permit applications	High	Update the Building Services Procedures Manual to include a conflict-of-interest declaration process.	30-Nov-22	1 March 2023: Started - Conflict of Interest is declared in 'Building Approval process' by the Officer and Executive Manager. Email is also recorded against 'Approval and Interest Declared' Stage in Synergy then added to the 'Supporting Comments' section in Attain.	27 April 23: Building Procedure Manual provided.	Completed
165	09-Jun-22	Building Permit Application Process	Identification and Management of Conflict of Interest	Ensure its approved by the relevant delegated authority	High	Have the updated Building Services Procedures Manual endorsed by the Director People and Place.	31-Jan-23	1 March 2023: Started – currently updating approval process. Exec Manager to endorse once complete	27 April 23: Building Procedure Manual provided.	Completed



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166	09-Jun-22	Building Permit Application Process	Identification and Management of Conflict of Interest	Communicate the procedures to the relevant staff and ensure they are adequately trained.	High	Communicate updated procedures to relevant staff.	31-Jan-23		27 April 23: Building Procedure Manual provided.	Completed
167	09-Jun-22	Building Permit Application Process	Quality review of application by senior staff	Establish a risk-based process for independent quality reviewing applications by senior staff; and	Medium		30-Nov-22	1 March 2023: Completed - Building Checklist created as a stage in Synergy. Managers approval response is recorded and record number is added to the checklist confirming acknowledgement	1 March 2023: Client claims completed - no evidence provided to support.	Completed
168	09-Jun-22	Building Permit Application Process	Quality review of application by senior staff	Establish a risk-based process for independent quality reviewing applications by senior staff; and	Medium	Update the Building Services Procedures Manual to include independent quality reviewing of applications by senior staff.	30-Nov-22		27 April 23: Building Procedure Manual provided.	Completed
169	09-Jun-22	Building Permit Application Process	Quality review of application by senior staff	Implement and ensure that records of the review are maintained on a timely basis.	Medium	Communicate updated procedures to relevant staff.	31-Jan-23		27 April 23: Building Procedure Manual provided.	Completed
170	09-Jun-22	Building Permit Application Process	Permit Application Timeframes	Ensure applications are processed within the required timeframes	High	Ensure further information requests are recorded against the building applications.	30-Nov-22	1 March 2023: Started – Further information request and response is added to the 'FIR' stage in Synergy and recorded on the Building Checklist	27 April 23: Building Procedure Manual provided.	Completed
171	09-Jun-22	Building Permit Application Process	Permit Application Timeframes	Ensure timeframes are recorded including start, pause and stop of the clock as required by the Act	High	Update the Building Services Procedures Manual to include record keeping requirements for the start, pause and stop the clock activities in accordance with legislation.	30-Nov-22	1 March 2023: Started – Building Checklist records stages where further information is requested (stop the clock) and once received, recorded again (start the clock). Uncertified Applications Register created and shared with external Building Surveyor (COK) to identify when further information is requested and the amount of days that have elapsed once further information is received	27 April 23: Building Procedure Manual provided.	Completed
172	09-Jun-22	Building Permit Application Process	Permit Application Timeframes	Identify the building and demolition applications which did not meet the required timeframes and consider where the Shire is required to refund the application fee, as required by legislation. Legal advice may have to be sought as to how far to go back if this has not been identified previously.	High	Update the Building Services Procedures Manual to include reporting of applications which do not meet the required timeframes to the Director People and Place to determine whether a refund is required.	30-Nov-22		27 April 23: Building Procedure Manual provided.	Completed
173	09-Jun-22	Building Permit Application Process	Monitoring and Compliance and Enforcement	Develop risk-based business rules for staff articulating how monitoring activities will be prioritised given the limited resources and ensure staff are aware of the articulated arrangements	Medium	Incorporate compliance monitoring expectations in the Building Services Directive.	31-Jan-23			Not Started
174	09-Jun-22	Building Permit Application Process	Monitoring and Compliance and Enforcement	Develop a process to demonstrate compliance with relevant legislation governing the building and demolition permits including identification of relevant legislation, legislative owner, documentation to evidence of legislative compliance, frequency of how often the legislative compliance assessment should be undertaken	Medium	Update the Building Services Procedures Manual following implementation of the Directive.	31-Mar-23			Not Started
175	09-Jun-22	Building Permit Application Process	Performance Reporting	Develop KPI's for monitoring compliance and performance of the building and demolition permit application function	Medium		31-Jan-23	1 March 2023: Completed – Administrators KPI's reflect the compliance and performance of the permit application function	28 March 23: Validated	Completed





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176	09-Jun-22	Building Permit Application Process	Performance Reporting	Ensure KPI's are approved by the Executive or relevant delegated authority;	Medium	Incorporate KPI's in the Building Services Directive to be approved by the Executive Leadership Team.	31-Jan-23			Not Started
177	09-Jun-22	Building Permit Application Process	Performance Reporting	Have a standard agenda item on a regular basis to discuss building and demolition permit application matters; and	Medium		30-Nov-22		12 December 2022: We have received the Monthly reports from the Shire.	Completed
178	09-Jun-22	Building Permit Application Process	Performance Reporting	Regularly report to the Executive and Audit and Risk Committee level.	Medium		30-Nov-22		12 December 2022: We have received the Monthly reports from the Shire.	Completed
179	09-Jun-22	Building Permit Application Process	Staff Delegation	The Shire should review the delegation register and align the title of the relevant delegated authority to match existing positions within the Shire with the relevant responsibility.	Low		31-Dec-22	25 January 2023: An internal review of the delegations/sub-delegations from the CEO to staff has been completed and approved on 10 January 2023 (updated Delegation Register attached). Positions have been updated in line with the recent restructure	31 January 2023: Validated by Moore Australia and proposed for closure.	Completed
180	02-Dec-22	Contract Management	Contract Management Framework	Develop and implement an overarching Contract Management Framework, including policies, procedures and guidelines in line with the Shire's strategic objectives and better practice principles such as the WA Australia Procurement Rules 2021/02, the WA Contract Management Framework Principles and the OAG tabled Report dated 2020 – Local Government Contract Extensions and Variations Ministerial Notice Not Required	High		30-Jun-23	Progress update as at 12 January 2023 In progress, a Contractor Performance Review template has been created and Variation documents have been reviewed and edited as needed. Contract Management Directive and Procedures ongoing	28 March 23: Validated	Completed
181	02-Dec-22	Contract Management	Contract Management Framework	Review and update 3.3 FIN12 Purchasing Policy and FIN22 Procurement Directive in line with the annual review frequency requirement	High	Review and update FIN12 Purchasing Policy with a biennial review frequency	22-Dec-22	Progress Update as at 2023 FIN22 has been approved by CEO (Directive) FIN12 is now known as Purchasing and Procurement Policy this was adopted by Council at December 2022 OMC please see attached.	31 January 2023: Validated by Moore Australia and proposed for closure.	Completed
182	02-Dec-22	Contract Management	Contract Management Framework	Review and update 3.3 FIN12 Purchasing Policy and FIN22 Procurement Directive in line with the annual review frequency requirement	High	Review and update FIN22 Procurement Directive as and when required, and at least once every 2 years	13-Oct-22		12 December 2022: FIN 22 was reviewed and endorsed by the ELT on 13 October 2022. The following review date is also in 2023, which is relevant to the annual review frequency	Completed
183	02-Dec-22	Contract Management	Contract Register	Update the Contract Register to include information recommended for effective contract management and to reflect better practice principles and Department of Finance WA Procurement Rules Procurement Direction 2021/02	Medium		30-Jun-23	Progress Update as at 2023 Please see attached most recent Contracts Register held by Procurement. Version on AIMS is to be updated, however unable to keep terminated contracts on AIMS.	23 February 2023: Updated Contract Register provided.	Completed
184	02-Dec-22	Contract Management	Contract Register	Update the Contract Register to include information recommended for effective contract management and to reflect better practice principles and Department of Finance WA Procurement Rules Procurement Direction 2021/03	Medium	Investigate Contract Management Software to resolve issues with tracking budget and variations, including performance reviews and retention monies	30-Jun-23	Progress Update 12 January 2023 Please see attached most recent Contracts Register held by Procurement. Version on AIMS is to be updated, however unable to keep terminated contracts on AIMS	23 February 2023: Updated Contract Register provided.	Completed
185	02-Dec-22	Contract Management	Contract Register	Develop comprehensive policies and procedures to manage and review the Contract Register	Medium	Develop a procedure for the management and review of the Contract Register	30-Jun-23	2023 April 27: Procedure – Contract Register, Still developing will have to be approved by Director.  Progress Update as at 2023 In progress	2023 April 27: Remains in progress.  28 March 23: Shire in process of developing procedures and Directive.	In Progress



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No	Date of Report	Audit Topic	Finding Title	Recommendation	Risk Rating	Agreed Action	Original Due Date	Client Progress Update	Moore Australia Comment	Status After Assessment
186	02-Dec-22	Contract Management	Contract and Supplier Performance Management	Develop and implement comprehensive performance management policies and procedures for the purposes for contract and supplier management in line with the WA Contract Management Framework Principles published by the Department of Finance. This includes processes such as, but not limited to: •Regular and structured performance reviews; •Formal documentation requirements for performance review meetings and communication with suppliers; •Monitoring and resolving non-compliance or poor contract performance with contract conditions; and •Mechanisms to ensure consistent processes to ensure contract conditions and deliverables are assessed and recorded in a final review.	High	Incorporate contract performance management in the Contract Management Directive	30-Jun-23	2023 April 27: Developing the procedures and review documents, yet to be reviewed by Director and ELT.  Progress Update as at 2023 In progress, emails are sent out to project officers when contracts are completed with the requirements of the contract management. See attached template. Shire is making enquiries into a online Contact Management system.	2023 April 27: Remains in progress.  28 March 23: Shire in process of developing procedures and Directive.	In Progress
187	02-Dec-22	Contract Management	Contract and Supplier Performance Management	Develop and implement comprehensive performance management policies and procedures for the purposes for contract and supplier management in line with the WA Contract Management Framework Principles published by the Department of Finance. This includes processes such as, but not limited to: •Regular and structured performance reviews; •Formal documentation requirements for performance review meetings and communication with suppliers; •Monitoring and resolving non-compliance or poor contract performance with contract conditions; and •Mechanisms to ensure consistent processes to ensure contract conditions and deliverables are assessed and recorded in a final review.	High	Develop and implement a contract performance management procedure and supporting templates which includes documenting and recording of performance reviews undertaken	30-Jun-23	Progress Update as at 2023 In progress, emails are sent out to project officers when contracts are completed with the requirements of the contract management. See attached template. Shire is making enquiries into a online Contact Management system.	28 March 23: Validated	Completed
188	02-Dec-22	Contract Management	Contract Renewals and Extensions	Develop and implement comprehensive policy and procedures for a standardised and formal approach to contract extensions	Medium		30-Jun-23	Progress Update as at 2023 On going	28 March 23: Validated	Completed
189	02-Dec-22	Contract Management	Contract Renewals and Extensions	Ensure contractor performance are documented, assessed and reviewed before approving a contract extension	Medium		30-Jun-23	Progress Update as at 2023 Ongoing, Procurement email project officers, ccing in the relevant Director to receive approval or rejection of an extension to contract (only if allowed under the contract) Reminders in Procurements calendar are at 6, 3 and 1 month intervals.	28 March 23: Validated	Completed



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190	02-Dec-22	Contract Management	Contract Variations	Develop and implement a set of comprehensive procedures to perform a contract variation which includes the following: •Step-by-step process of completing a contract variation; •Minimum requirements to ensure the PP 067 – Contract Variation Request form is completed appropriately; and •Considerations such as costs, risks, time, nature of variation, cumulative effects and specific requirements set out by council approved policies.	High		30-Jun-23		12 December 2022: PP 067 – Contract Variation Request form provided which outlines the step by step process detailed on page 2.	Completed
191	02-Dec-22	Contract Management	Contract Variations	Develop and implement a set of comprehensive procedures to perform a contract variation which includes the following: •Step-by-step process of completing a contract variation; •Minimum requirements to ensure the PP 067 – Contract Variation Request form is completed appropriately; and •Considerations such as costs, risks, time, nature of variation, cumulative effects and specific requirements set out by council approved policies.	High		30-Jun-23	Progress Update as at 12 January 2023 See updated 067 – CEO067 this form is on the Shires AIMS (Ashburton Information Management System)	28 March 23: Validated (New Contract Mnaagement Procedure)	Completed
192	02-Dec-22	Contract Management	Contract Variations	Execute a review process for contract variations to determine whether the cumulative effect of variations requires a separate procurement process	High	Investigate Contract Management Software to resolve issues with tracking budget and variations, including performance reviews and retention monies	30-Jun-23	2023 April 27: Creating inhouse excel documents to track Contract Management while still investigating software. Documents are in draft stage, Director to provide feedback.  Progress Update as at 12 January 2023 Ongoing	2023 April 27: Remains in progress.  31 January 2023: No evidence of review.	In Progress
193	02-Dec-22	Contract Management	Training and Contract Manager Continuity	The Shire should: •Establish an ongoing training program for all staff on basic and standardised approach to contract management including refresher training; •Establish an ongoing training program specifically for contract managers to ensure expectations and standards are maintained especially during a handover of responsibility; •Ensure that the program is approved by the CEO or the delegated authority; •Maintain an up-to-date log of when staff last completed their training; •Set minimum timeframes for when staff should attend the refresher training; and •Ensure staff the attend the training and refresher courses	Medium	•Establish an ongoing training program for all staff on basic and standardised approach to contract management including refresher training; •Establish an ongoing training program specifically for contract managers to ensure expectations and standards are maintained especially during a handover of responsibility; •Ensure that the program is approved by the CEO or the delegated authority; •Maintain an up-to-date log of when staff last completed their training; and •Set minimum timeframes for when staff must attend the refresher training	31-Dec-23	2023 April 27: To be incorporated with Procurement Training – as required staff. Draft Contract Management training slideshow done, awaiting feedback.  Progress Update as at 12 January 2023 Ongoing, this will have to be discussed with Organisational Development (OD) as they facilitate all online training. Procurement will develop a draft training for OD to review	2023 April 27: Remains in progress.  31 January 2023: No evidence provided.	In Progress



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194	02-Dec-22	Contract Management	Performance Monitoring and Reporting	The Shire Should: •Develop KPIs for monitoring compliance and performance of the contract management function based on policies, procedures and better practice principles and standards; •Ensure KPI's are approved by the Executive or relevant delegated authority; •Have a standard agenda item on a regular basis to discuss contract management matters; and •Regularly report to the Executive and Audit and Risk Committee level.	Medium	Development of KPI's will be done in conjunction with Organisational Development for relevant officers	31-Dec-23	2023 April 27: To be raised with ELT for Performance Review Period – Procurement creating a list of roles and the proposed KPI to be introduced.  Progress Update as at 12 January 2023 Ongoing, Procurement to develop with Project officers and ELT	2023 April 27: Remains in progress.  31 January 2023: No evidence provided.	In Progress
195	02-Dec-22	Contract Management	Performance Monitoring and Reporting	The Shire Should: •Develop KPIs for monitoring compliance and performance of the contract management function based on policies, procedures and better practice principles and standards; •Ensure KPI's are approved by the Executive or relevant delegated authority; •Have a standard agenda item on a regular basis to discuss contract management matters; and •Regularly report to the Executive and Audit and Risk Committee level.	Medium	Investigate and implement system to allow for reporting	31-Dec-23	2023 April 27: Ensure KPI for projects are included with any project software or forms.  Progress Update as at 12 January 2023 Ongoing, Procurement to develop with Project officers and ELT	2023 April 27: Remains in progress.  31 January 2023: No evidence provided.	In Progress
196	02-Dec-22	Contract Management	Performance Monitoring and Reporting	The Shire Should: •Develop KPIs for monitoring compliance and performance of the contract management function based on policies, procedures and better practice principles and standards; •Ensure KPI's are approved by the Executive or relevant delegated authority; •Have a standard agenda item on a regular basis to discuss contract management matters; and •Regularly report to the Executive and Audit and Risk Committee level.	Medium	Reporting to PCG and Audit and Risk Committee.	31-Dec-23	2023 April 27: As per Audit and Risk Committee schedule and ELT. Completed as ongoing  Progress Update as at 12 January 2023 Ongoing, Procurement to develop with Project officers and ELT	2023 April 27: Remains in progress.  31 January 2023: No evidence provided.	In Progress
197	01-Feb-23	Fraud and Corruption FY22	Fraud and Corruption Control Framework Limitations	Review, update, approve and implement the Fraud and Corruption Control Plan;	Medium	Review and implement the draft Fraud and Corruption Control Plan in line with appropriate accounting standards, to be approved by ELT.	31-Dec-23			Not Started
198	01-Feb-23	Fraud and Corruption FY22	Fraud and Corruption Control Framework Limitations	Draft, approve and implement a Fraud and Corruption policy and procedure;	Medium	Develop Fraud and Corruption Policy and procedures	31-Dec-23		8 February 2023: Fraud and Corruption Policy currently being drafted. It is anticipated that this policy will be submitted to the March Ordinary Council Meeting.	In Progress
199	01-Feb-23	Fraud and Corruption FY22	Fraud and Corruption Control Framework Limitations	Draft, approve and implement a Fraud and Corruption policy and procedure;	Medium	Identified corporate documents, i.e Financial Manual, to have reference to the Fraud and Corruption Plan, policy and procedures as required.	31-Dec-23			Not Started
200	01-Feb-23	Fraud and Corruption FY22	Outdated Public Interest Disclosure Information and related Policies and Procedures	All outdated policies and procedures should be reviewed and updated to reflect better practice and compliance requirements;	High	Outdated Public Interest Disclosure information and related policies and procedures to be reviewed	30-Jun-23			Not Started



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201	01-Feb-23	Fraud and Corruption FY22	Outdated Public Interest Disclosure Information and related Policies and Procedures	Appoint a suitably qualified PID Officer and ensure appropriate awareness on this position is made to internal and external stakeholders including Public Sector Commission;	High	Chief Executive Officer to nominate PID officer/s.	30-Jun-23		27 March 23: CEO is PID Officer by default but will appoint new Director of Corporate Services as PID Officer once appointed.	In Progress
202	01-Feb-23	Fraud and Corruption FY22	Outdated Public Interest Disclosure Information and related Policies and Procedures	Appoint a suitably qualified PID Officer and ensure appropriate awareness on this position is made to internal and external stakeholders including Public Sector Commission;	High	Nominated PID officer/s to attend relevant training.	30-Sep-23		27 March 23: CEO is PID Officer by default but will appoint new Director of Corporate Services as PID Officer once appointed.	In Progress
203	01-Feb-23	Fraud and Corruption FY22	Outdated Public Interest Disclosure Information and related Policies and Procedures	Appoint a suitably qualified PID Officer and ensure appropriate awareness on this position is made to internal and external stakeholders including Public Sector Commission;	High	Public Sector Commission to be advised of the Shire's appointed PID officer/s.	31-Oct-23		27 March 23: CEO is PID Officer by default but will appoint new Director of Corporate Services as PID Officer once appointed.	In Progress
204	01-Feb-23	Fraud and Corruption FY22	Lack of Fraud and Corruption Resources	Consider appointing a dedicated Fraud Officer who will be responsible for all matters on FC, which may be a current employee, however the Shire should consider the employee's current roles and responsibilities.;	Medium	Review Internal Auditor position description to include fraud and corruption responsibility.	30-Jun-23			Not Started
205	01-Feb-23	Fraud and Corruption FY22	Lack of Fraud and Corruption Resources	Consider appointing a dedicated Fraud Officer who will be responsible for all matters on FC, which may be a current employee, however the Shire should consider the employee's current roles and responsibilities.;	Medium	Recruitment of an Internal Auditor.	15-Feb-23		8 February 2023: The Shire has appointed a permanent full time Internal Auditor commencing 15 February 2023.	Completed
206	01-Feb-23	Fraud and Corruption FY22	Lack of Oversight of Fraud and Corruption Risks	The ARMC should devote appropriate time for discussions on Fraud and Corruption risks during meetings;	Medium	Include review, monitoring and reporting of fraud and corruption risks in the Fraud and Corruption Control Plan.	31-Dec-23			Not Started
207	01-Feb-23	Fraud and Corruption FY22	Lack of Oversight of Fraud and Corruption Risks	The ARMC should devote appropriate time for discussions on Fraud and Corruption risks during meetings;	Medium	Fraud and Corruption risks to be included in the standard agenda for ARMC.	31-Dec-23			Not Started
208	01-Feb-23	Fraud and Corruption FY22	Lack of Oversight of Fraud and Corruption Risks	The ARMC should improve oversight over the Shire's Executive Management team in effectively approving and implementing the FC Control Plan;	Medium	Fraud and Corruption Control Plan to be approved by ARMC and Council.	31-Dec-23			Not Started
209	01-Feb-23	Fraud and Corruption FY22	Lack of a Fraud and Corruption Risk Assessment and Alignment with Standards	The Shire should perform a comprehensive fraud and corruption risk assessment and ensure proper alignment with the Australian Standards for Fraud and Corruption, AS 8001:2021;	High	Undertake a risk assessment in relation to fraud and corruption.	31-Dec-23			Not Started
210	01-Feb-23	Fraud and Corruption FY22	Lack of a Fraud and Corruption Risk Assessment and Alignment with Standards	The Shire should perform a comprehensive fraud and corruption risk assessment and ensure proper alignment with the Australian Standards for Fraud and Corruption, AS 8001:2021;	High	Develop a Strategic Risk Register.	30-Jun-24			Not Started



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211	01-Feb-23	Fraud and Corruption FY22	Limited Awareness and Training for Ethics and Fraud and Corruption Control	Training and Induction programs should include Fraud and Corruption;	High	Fraud and corruption information to be incorporated into employee's induction.	30-Jun-23		8 February 2023: The CEO provides an induction to all new staff every 6 months.	Completed
212	01-Feb-23	Fraud and Corruption FY22	Limited Awareness and Training for Ethics and Fraud and Corruption Control	Training and Induction programs should include Fraud and Corruption;	High	Develop and implement a Fraud and Corruption training program.	31-Dec-23			Not Started
213	01-Feb-23	Fraud and Corruption FY22	Vendor Master File with Incomplete Records	The Vendor Master files should be reviewed and updated on a timely basis to ensure all relevant information is included;	Medium	Vender Master File requirements and practices to be reviewed and incorporated into the Shire's Financial Manual.	30-Jun-23			Not Started
214	01-Feb-23	Fraud and Corruption FY22	Vendor Master File with Incomplete Records	Any missing information, including the ones identified in this audit should be reviewed with all relevant details included as identified;	Medium	Vender Master Files to be audited and relevant details updated.	30-Jun-23			Not Started
215	01-Feb-23	Fraud and Corruption FY22	Duplicate Cheque / ERT References	Cheque processing should be closely monitored and reviewed by management to ensure that any duplicate reference numbers, including the ones identified in the audit must be investigated and appropriately adjusted;	High	Reference naming convention to be developed for reoccurring "Invoices" and documented in the finance manual.	30-Jun-23			Not Started
216	01-Feb-23	Fraud and Corruption FY22	Employees Listed as Vendors in the Vendor Master File	Investigate the issues identified and assess the risk of fraud or error, and institute corrective action if necessary;	Medium	Establish if SynergySoft is able to provide reports for the purpose of exception reporting to identify duplications. Review against approved secondary employment declarations.	31-Dec-23			Not Started
217	01-Feb-23	Fraud and Corruption FY22	Vendors Still Being Used after Being Suspension	Vendors being used after their suspension dates should be flagged and inspected to identify why they are still being used with appropriate actions taken to address;	High	Suspended Creditors procedure to be reviewed and if possible, increase measures placed on suspended creditors, including Auto Display Memo's. Finance Manual to be updated as required and incorporate monitoring and reporting measures.	31-Dec-23			Not Started
218	01-Feb-23	Fraud and Corruption FY22	Exit Interview Process Opportunities	Consider designing the Exit Interview questionnaires to include questions that help identify and detect potential Fraud and Corruption risks the terminated staff may be aware of;	Low	Exit interviews objectives to be referenced in the Fraud and Corruption Control Plan.	31-Dec-23			Not Started
219	01-Feb-23	Fraud and Corruption FY22	Exit Interview Process Opportunities	Consider designing the Exit Interview questionnaires to include questions that help identify and detect potential Fraud and Corruption risks the terminated staff may be aware of;	Low	Exit interviews to incorporate Fraud and Corruption risk questions.	31-Dec-23		28 Feb 23: Completed.	Completed
220	01-Feb-23	Fraud and Corruption FY22	Creditor Expenditure Transactions Concerns	All transactions identified in this report including those with the higher rate of usage in Appendix 5 should be monitored and reviewed on a timely basis to ensure they are free from fraud or error;	High	Include review, monitoring and reporting of fraud and corruption risks, including the Benford's Law test, in the Fraud and Corruption Control Plan and incorporate into the Shire's Finance Manual	31-Dec-23			Not Started





Shire of Ashburton

Internal Audit log			Current Review Date: 27th April 2023							
No	Date of Report	Audit Topic	Finding Title	Recommendation	Risk Rating	Agreed Action	Original Due Date	Client Progress Update	Moore Australia Comment	Status After Assessment
221	01-Feb-23	Fraud and Corruption FY22	Creditor Expenditure Transactions Concerns	Any transaction without descriptions, including the ones identified through this audit, should be reconfirmed against supporting documents and necessary descriptions made accordingly;	High	An audit of the identified transactions to be conducted to confirm no fraudulent and corrupt practices have occurred. The outcome of the audit to be presented to Council and include the re-presenting of the accounts for payment information in full, including descriptions, for Council endorsement.	30-Jun-23			Not Started
222	01-Feb-23	Fraud and Corruption FY22	Creditor Expenditure Transactions Concerns	Consider improving the requisition process to include details of officer raising and approving transactions.	High	Review systems controls, including Financial Software upgrades, that provide for the electronic record keeping of raising and approving invoices	31-Dec-23			Not Started
223	01-Feb-23	Fraud and Corruption FY22	Absence of an Allegations and Incidents Register for FC	Consider developing a Fraud and Corruption register to capture fraud and corruption incidents or allegations reported either through a Public Interest Disclosure or through other avenues.	Medium	Develop register which records all incidents or allegations reported through Public Interest Disclosure and other avenues.	30-Jul-22		1 February 2023: Client provided incident register. Does not discern source of report (i.e., PID).	Completed
224	01-Feb-23	Payroll & HR FY22	Absence of Human Resources Payroll Management Framework, Policies and Procedures.	Develop, approve and implement a comprehensive Workforce Strategy, Workforce Plan, Human Resources and Payroll Management framework, including associated policies and procedures;	High	Develop, approve and implement a comprehensive Workforce Plan, Recruitment and Retention Strategy, Human Resources and Payroll Management Framework, including associated policies and procedures.	31-Dec-23	28 Feb 23: Review of all HR policies complete (Governance can confirm), ready to commence with Directive review (await go ahead from Governance), yet to commence with OD Management Plan	28 Feb 23: In progress.	In Progress
225	01-Feb-23	Payroll & HR FY22	Absence of Human Resources Payroll Management Framework, Policies and Procedures.	Ensure that within the Human Resources and Payroll team there is a nominated individual responsible for maintaining compliance with relevant legislation;	High	Human Resources and Payroll Management Framework to include nominated positions responsible for maintaining compliance with relevant legislation.	31-Dec-23			Not Started
226	01-Feb-23	Payroll & HR FY22	Lack of Delegation of Authority Framework for Payroll Functions	Draft, approve and implement a comprehensive Delegation of Authority Framework for payroll functions, including policy and procedures;	High	Develop and implement an authorisation framework and supporting directives and/or procedures for HR and Payroll functions.	31-Dec-23	28 Feb 23: Policies done, ready to commence with Directives. CEO delegations relating to OD done – see attached.	23 February 2023: Signature and Other Authorisations relating to Shire of Ashburton Organisational Development" provided, however, this does not satisfy the recommendation.	In Progress
227	01-Feb-23	Payroll & HR FY22	Lack of reporting on Human Resources and Payroll activities	Draft approve and implement a performance measurement and reporting framework for human resources and payroll activities, including self-assessment protocols;	High	Incorporate performance measurement and reporting requirements/processes in the Human Resources and Payroll Management Framework.	31-Dec-23			Not Started



Shire of Ashburton

Internal Audit log			Current Review Date: 27th April 2023							
No	Date of Report	Audit Topic	Finding Title	Recommendation	Risk Rating	Agreed Action	Original Due Date	Client Progress Update	Moore Australia Comment	Status After Assessment
228	01-Feb-23	Payroll & HR FY22	Inconsistencies in payroll process and documentation	Develop, approve and implement a comprehensive Workforce Strategy, Workforce Plan, Human Resources and Payroll Management framework, including associated policies and procedures;	High	Develop, approve and implement a comprehensive Workforce Plan, Recruitment and Retention Strategy, Human Resources and Payroll Management Framework, including associated policies and procedures.	31-Dec-23			Not Started
229	01-Feb-23	Payroll & HR FY22	Lack of Control Procedures for Shire Access and Assets	Draft, approve and implement a comprehensive staff exit controls policy and procedures;	Medium	Develop and implement an offboarding directive and procedure. Implement Pulse Offboarding module with automated exit interview notifications and reporting. Incorporate offboarding processes in the framework.	30-Jun-23	28 Feb 23: Ready to review OD Directives – await go ahead and access from Governance. Checklist developed in in use – attached.	28 Feb 23: In progress.	In Progress
230	01-Feb-23	Payroll & HR FY22	Inappropriate System Access Control	Revoke inappropriate access to the payroll system and remove ex-employee user profiles from the system; and	Low	Conduct an audit of SynergySoft access and remove unauthorised access.	31-Mar-23			Not Started
231	01-Feb-23	Payroll & HR FY22	Inappropriate System Access Control	Implement a process to regularly review, monitor and maintain system access control to all Shire information systems.	Low	Incorporate the regular review, monitoring and maintenance of system access for all Shire information system in the Cybersecurity Framework.	31-Mar-23			Not Started





Shire of Ashburton

Financial Audits		Current Review Date: 27th April 2023							
No	Date of Report	Audit Topic	Recommendation	Risk Rating	Management Comment in Report	Original Due Date	Client Progress Update	Moore Australia Comment	Status After Assessment
1	30-Jun-16	Comment on Ratios (Asset sustainability Ratio)	<p>Summary</p> <p>The Shire's ratio position, after adjustment for FAGs and Onslow tip closure expenditure, appears reasonably consistent with prior years with improvements in the Current ratio but deterioration in both Asset Sustainability and Operating Surplus ratios. Whilst some ratios are below the accepted industry benchmark, given the relative strength of the other ratio and the Shire's balance sheet, lower ratios may be expected and acceptable in the short term, provided other measure/ strategies are maximised. Notwithstanding this a number of the ratios do appear to be trending downwards over the longer term and this should be considered moving forward.</p> <p>We would like to take this opportunity to stress one off assessments of ratios at a particular point in time can only provide a snap shot of the financial position and operating situation of the Shire. As is the case with all ratios and indicators, their interpretation is much improved if they are calculated as an average over time with the relevant trends being considered.</p> <p>We will continue to monitor the financial position and ratios in the future financial years and suggest it is prudent for Council and management to do so also as they strive to manage the scarce resources of the Shire</p>	Medium	Not identified	Not identified	Not provided	28 Feb 23: Ratios no longer required to be reported - recommendation closed.	Completed
2	30-Jun-17	Comment on Ratios (Asset sustainability Ratio and Operating Surplus Ratio)	<p>Summary</p> <p>The Shire's Ratio position, after adjustment for FAGs, appears reasonably consistent with prior years except the deterioration in the Operating Surplus Ratio.</p> <p>We also note a number of the ratios appear to be trending downwards over the longer term and this should be considered moving forward .</p> <p>We would like to take this opportunity to stress one off assessments of ratios at a particular point in time can only provide a snap shot of the financial position and operating situation of the Shire. As is the case over time with the relevant trends being considered.</p> <p>We will continue to monitor the financial position and ratios in future financial years and suggest it is prudent for Council and management to do so also as they strive to manage the scarce resources of the Shire.</p>	Medium	Not identified	Not identified	Not provided	28 Feb 23: Ratios no longer required to be reported - recommendation closed.	Completed



# Shire of Ashburton

## Financial Audits

Current Review Date: 27th April 2023

No	Date of Report	Audit Topic	Recommendation	Risk Rating	Management Comment in Report	Original Due Date	Client Progress Update	Moore Australia Comment	Status After Assessment
3	30-Jun-18	Asset Sustainability Ratio	Summary As detailed above, the asset sustainability relation is below the accepted industry benchmark. Given the relative strength of the other ratios and the Shire's balance sheet, a lower ratio may be acceptable in the short term provided other measure /strategies are maximised. Notwithstanding this, a number of ratios appear to be trending downwards over the longer term and this should be carefully considered moving forward to avoid the development of an adverse trend. We would like to take this opportunity to stress one off assessments of ratios at a particular point in time can only provide a snap shot of the financial position and operating situation of the Shire. As is the case with all ratios and indicators, their is much improved if they are calculated as an average over time with the relevant trends being considered.	Medium	Not identified	Not identified	Not provided	28 Feb 23: Ratios no longer required to be reported - recommendation closed.	Completed
4	30-Jun-19	General Journals	To help maintain the integrity of the accounting information, supporting documentation should be maintained for all journals. In addition, someone more senior than the preparer should authorise all journal entries to be processed in the system, review the correctness of posting after being processed and evidence their approval and review.	High	Procedure to be updated in the current Finance Manual. Approval to in line financial approval delegations. Investigate options to restrict access o update and approve journals in Synergy.	31-Jan-20	28 Feb 23: Journals are reviewed by someone more senior than preparer, with the exception of manager preparing journals in which a senior member of finance will review journal. A register is maintained and all approved journals with supporting evidence is included in file.	28 Feb 23: As per mgmt comments. Closed.	Completed
5	30-Jun-19	Valuation of land held for resale	The Shire should obtain up to date evidence of the value of the land to ensure it is recorded at the lower of cost and net realisable value	Medium	Investigate current market value based on latest Valuer General information	31-Jan-20	28 Feb 23: Valuation is taking place prior to 30 April 2023 in relation to RFT 22.22	28 Feb 23: As per mgmt comments.	In Progress
6	30-Jun-19	Excessive annual leave	The Shire should manage and monitor the excessive annual leave accruals to reduce the financial liability, risk of business interruption and fraud.	Medium	Excessive and high annual leave accruals are reported on the quarterly Human Resources report, per Directorate. Each Director has previously been requested to have discussions with the relevant employee to reduce their annual leave or cash out some of the leave in accordance with clause 10.2. As leave has not decreased for some employees Human Resources will be writing to employees to request that they reduce their annual leave accruals, as outlined in the report. The intention is to do this in January following employees taking leave over Christmas period.	31-Jan-20	Not provided	7 September 2022 - Evidence received indicating that this done on a regular basis through information provided to Directors and Managers.	Completed
7	30-Jun-19	Related party declarations	All Shire Councillors and key management staff complete Related Party Disclosure forms for any period that they held office or were employed by the Shire during a financial year. The declaration should also indicate the period of coverage. The shire should ensure these are obtained from councillors and staff prior to them leaving the Shire.	Medium	Review Governance Procedures relating to Related Party Declarations	31-Mar-20	Not provided	Jasmine provided evidence on 24 October 2022	Completed



# Shire of Ashburton

## Financial Audits

Current Review Date: 27th April 2023

No	Date of Report	Audit Topic	Recommendation	Risk Rating	Management Comment in Report	Original Due Date	Client Progress Update	Moore Australia Comment	Status After Assessment
8	30-Jun-20	Management of excessive leave	Management should ensure staff comply with the Leave Management Policy and ensure long outstanding leave balances are cleared in a timely manner. Managers should be reminded of their responsibility to manage excessive leave balances and ensure that leave management plans are implemented and enforced.	Medium	We can confirm that any excessive leave balances are highlighted in the monthly Human Resources report for Executive Leadership Team distribution, awareness and action, with the following: "Directors should discuss the above leave liability with their Managers in order to develop a plan between the Manager and Employee to reduce the leave." The Human Resources Team, work with Managers to issue letters relating to excess leave and we are about to conduct a complete review of all Shire Human Resources Directives, which will include leave management. The Human Resources Team have also developed a formal training program for Managers, consisting of various mandatory courses to support them in the effective management of staff.	09-Feb-21	Not provided	7 September 2022 - Evidence received indicating that this done on a regular basis through information provided to Directors and Managers.	Completed
9	30-Jun-20	Related party declarations	Management should implement procedures to ensure all KMP declarations are completed and returned in a timely manner.	Medium	In September 2020, the Shire implemented the Attain Compliance Management system. This electronic system will assist with the timely collation of returns and declarations in the future.	09-Feb-21	28 Feb 23: Attain manages all KMP declarations. The system has been configured (attached) that it the form becomes available to submit at the end of the financial year with a due date of 30 September. Attain is configured to send a weekly reminder to the relevant person every Monday until it is completed. The Governance Team monitors the system to ensure completion and makes individual contact with the relevant person to ensure it is completed by the due date.	28 Feb 23: As per mgmt comments. Completed.	Completed
10	30-Jun-20	Incorrect capitalisation of minor assets	The Shire should review its fixed asset register to ensure that all items acquired for less than \$5,000 have been removed from the register maintain an 'attractive items register' to prevent loss or theft.	Medium	Along with the monthly reconciliation of asset movements Shire officers review the fixed asset register to ensure items under \$5,000 are excluded. To improve the tracking of small or minor assets an items register is currently being created and will be maintained by the finance team.	22-Oct-20	Not provided	No evidence provided	Not Started
11	30-Jun-20	Procurement controls	The Shire should implement a more robust process to identify year end accruals and perform monthly reviews of open purchase orders and close off any long outstanding purchase orders if they are no longer required	Medium	Open Purchase Orders are reviewed annually around the month of May to assist with preparation of the annual budget. A new process of monthly review is now being implemented.	22-Oct-20	Not provided	No evidence provided	Not Started



# Shire of Ashburton

Financial Audits

Current Review Date: 27th April 2023

No	Date of Report	Audit Topic	Recommendation	Risk Rating	Management Comment in Report	Original Due Date	Client Progress Update	Moore Australia Comment	Status After Assessment
12	30-Jun-20	Petty cash controls	It is recommended that when petty cash is used for purchases above the \$100.00 limit formal documentation and approval is retained with the petty cash claim form to ensure the expense was used for appropriate business purposes. Petty cash recoup forms should be updated to reflect the Shire's policy for dual verification and staff should be reminded of the petty cash policy.	Low	A review of the approval process and supporting documentation requirements has been undertaken alongside staff being informed of what is required when using petty cash, in particular those instances of transactions over \$100.	22-Oct-20	28 Feb 23: No Purchases above \$100 made with Petty Cash	28 Feb 23: Updated petty cash recoup forms to reflect the Shire's policy for dual verification not received.	In Progress



# Agenda Item 6.1 - Attachment 1

2021-2022 Annual Report



# acknowledgement of country and Aboriginal History

The Shire of Ashburton acknowledges the first custodians of this region, the richness of their culture and the responsibility of all Australians to respect Aboriginal heritage.

Tom Price: Eastern Guruma

Onslow: Thalanyji

Pannawonica: Kurrama

Paraburdoo: Yinhawangka

The land comprising the Shire of Ashburton has been home to Aboriginal Australians for millennia. Sustained by bonds of kinship, language, culture and connection to the land, the local Aboriginal people have demonstrated autonomy and innovation in adapting to a harsh environment.

We respect and honour the traditional owners, custodians, native land titles and Elders past, present and future.

We recognise the richness of their culture and the responsibility of all Australians to respect Aboriginal heritage.

We acknowledge the stories, traditions and living cultures of Aboriginal peoples on this land and commit to building a brighter future together.

## 2021/2022 Annual Report

The Shire of Ashburton is pleased to present our 2021/22 Annual Report, which details our activities and achievements throughout the 2021/22 financial year.

This report sets out to provide an overview of our progress over this period and aligns to our Strategic Community Plan 2022- 2032. Copies of the Strategic Community Plan 2022-2032 can be downloaded from our website.

Our financial statements have been certified by an independent auditor.



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## Shire of Ashburton *profile*

**The Shire of Ashburton continues to be a driving force of the Pilbara region and Western Australian economy.**

The Shire itself is a unique expanse where the nexus of people, place and prosperity is real, tangible and invigorating, boasting a unique lifestyle with pristine National Parks, idyllic coastline, and a rich cultural heritage. Encompassing the towns of Tom Price, Onslow, Paraburdoo and Pannawonica, our residents boast a unique lifestyle.

The Shire contributes an unparalleled 12% to WA's Gross Domestic Product and delivers 38% or \$38.57 billion to the Gross Regional Product of the Pilbara region and continues to provide a diverse range of economic opportunities.

Council continues to drive, attract and source investment to the region to ensure ongoing expansion of services, accessibility, commercialisation and industry continues to grow along with our community's overall health and well-being. As champions for our community, working together towards a single vision to benefit all, we know that a sustained balance between economic strength and sense of community can be achieved.

## Message from the Shire President



I am proud to continue to lead Council and deliver favourable opportunities for the Shire of Ashburton as Shire President, following my re-election into the position following Local Government Elections in October 2021.

This year the Shire of Ashburton committed to and achieved considerable social and infrastructure investment across the region.

At the start of the financial year, Council endorsed what was our largest ever budget with \$73.2M committed to a diverse line up of key capital projects to deliver projects of significant community and economic importance, which will provide opportunities to the community for decades to come.

In July we officially opened the newly created gym in Onslow, and in August we endorsed stage 2 of the Tom Price Skate Park upgrade, keeping community health and wellbeing in mind as we continued to navigate life with COVID prevention measures in place.

Onslow Airport hosted the Sir Norman Brearley Commemorative Flight to commemorate the 100<sup>th</sup> Anniversary of the first ever commercial flight in the southern hemisphere. 24 planes descended into Onslow Airport in September and were welcomed by Council, Onslow Airport staff, and members of the community.

Construction of the new Onslow Community Boat Precinct facility commenced in October in conjunction with the Department of Transport, that will provide a new boat ramp and central holding jetty with suitable space for the future development of a small marina with fully serviced boat pens at Beadon Creek.

Partnership and collaboration proved valuable when the COVID pandemic hit our towns in early 2022. The Shire of Ashburton, along with State response agencies including WA Country Health, Department of Communities, WA Police, neighbouring Local Government Authorities and industry partners Rio Tinto and Chevron met daily discuss items and community concerns and to collaboratively assist the communities as the outbreak spread across the region and demonstrated the value of community partnerships, particularly in remote areas.

As we launched our revised Strategic Community Plan, we recognised our progress and identified the need to ensure the Shire has the resource capacity to maintain and improve our infrastructure and current levels of services to community.

Council continues to ensure their decisions are in line with our Strategic Community Plan and we deliver and enable economic growth and attract and retain vibrant and active communities across our towns of Tom Price, Onslow, Paraburdoo and Pannawonica.

In April we commenced the first phase of community engagement on the future of Tom Price and Paraburdoo as part of the Community Infrastructure and Lifestyle Plan (CLIP). The concept of CLIP has been discussed with Council and community over the past 12 months and has been presented and supported by Pilbara Development Commission and Rio Tinto. An integral piece for the future of Tom Price and Paraburdoo, CLIP will address key needs and issues such as health facilities, recreation facilities and infrastructure, as well as the local economy and employment opportunities. It will also include an agreed upon framework that will assist in achieving long term liveability for the inland towns within the Shire of Ashburton.

To further cement our vision, we adopted the 2022 Priority Projects Statement that details the key advocacy projects Council is committed to focusing on for the next five years. As a visionary Statement, it enables the Shire to lobby for additional funding from Federal and State Government and from community and industry stakeholders, while also raising awareness of critical issues for the Shire and development opportunities in Onslow, Tom Price and Paraburdoo.

We ended the year on a high note, celebrating the Shire's 50<sup>th</sup> Anniversary with main events in Tom Price and Onslow over two weekends headlined by Ian Moss and The Choirboys. Surrounded by our residents, wider community, fellow Councillors and Shire stakeholders, it gave me great pleasure to host the celebrations marking 50 years as a Local Government Authority. The first meeting of the Shire in its current boundary, taking in the towns of Tom Price, Onslow, Paraburdoo and Pannawonica, along with the wards of Ashburton and Tableland, convened on June 8, 1972. Further celebratory events will also take place in both Paraburdoo and Pannawonica later in 2022.

**Kerry White**  
Shire of Ashburton President

# Elected *members*



**Cr Kerry White**  
Shire President /  
Onslow Ward



**Cr Matthew Lynch**  
Deputy Shire President /  
Tom Price Ward



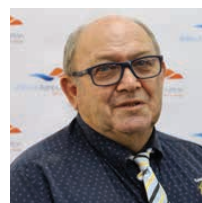
**Cr Doug Diver** (to Oct 2021)  
Deputy Shire President /  
Tom Price Ward



**Cr Rory de Pledge**  
Ashburton Ward



**Cr Melanie Gallanagh**  
Pannawonica Ward



**Cr Linton Rumble**  
Paraburdoo Ward



**Cr Alana Sullivan**  
(from Oct 2021)  
Paraburdoo Ward



**Cr Douglas (Ivan) Dias**  
(to Oct 2021)  
Paraburdoo Ward



**Cr Jamie Richardson**  
Tableland Ward



**Cr Audra Smith**  
Tom Price Ward



**Cr Tina Mladenovic**  
Tom Price Ward



## Meeting Attendance 2021-2022

Elected Member	Ordinary Council Meeting (11)	Audit and Risk (5)	Special Meetings (3)
Cr White	11	4	4
Cr Lynch <i>Re-elected October 2021</i>	10	4	2
Cr de Pledge	11	4	3
Cr Gallanagh <i>Re-elected October 2021</i>	3	1	1
Cr Rumble	11	5	2
Cr Sullivan <i>Elected October 2021</i>	8	2	1
Cr Dias <i>Not re-elected October 2021</i>	2	2	-
Cr Richardson	7	3	2
Cr Smith <i>Elected October 2021</i>	8	2	1
Cr Mladenovic <i>Elected October 2021</i>	6	2	1
Cr Diver <i>Not re-elected October 2021</i>	2	2	-





# CEO's report



It brings me great pleasure to continue to lead the Shire of Ashburton and deliver positive and valuable outcomes for the community.

This year we welcomed new members to Council, reviewed our Strategic Community Plan, and undertook several key projects in the hopes of bringing opportunities all whilst navigating the continual barriers as a result of COVID-19.

The development of the *Strategic Community Plan 2022-2032* is part of our continued commitment to maintain our focus and ensure the Shire of Ashburton will strive to work with the community to fulfill their needs and support their aspirations while acting with fairness and trusted leadership.

This Plan shares our vision and objectives, aligned to the community's expressed visions and aspirations for the future, and outlines how we will work towards a brighter future, providing opportunity to community under the pillars of People, Place Prosperity, and Performance.

This year, we also welcomed Audra Smith and Tina Mladenovic in Tom Price, and Alana Sullivan in Paraburdoo to Council.

Cr Kerry White was voted by the new Council to serve as Shire President for a further two-year term with Cr Matthew Lynch voted to serve as Deputy Shire President.

Councillors play an integral role in representing the community, advocating for issues of community importance, and providing leadership and strategic direction for the future of our Shire.

The prosperity of our region is visible to stakeholders, with many choosing to invest in the area through projects, initiatives, and contributions that further develop the growth and continued success of our four towns.

The Shire of Ashburton truly is a great place to live, with our continual development and community-based efforts being recognised as various levels through initiatives such as the inaugural desexing campaign, the construction of the Tom Price Childcare and Emergency Services Precinct, 50 Years Celebrations and accolades including being recipients of a Community Heritage Grant towards Old Onslow restoration and the LG Professionals 2021 Environmental Leadership and Sustainability Award for our Pilbara Regional Waste Management Facility.

I look forward to working with Shire staff to ensure we have the capability and a collaboration of knowledge and experience to fulfil Council's objectives, working with our industry partners to achieve future growth and improvements for our towns, and continuing to provide to State and the national economy as a significant contributor.

As we continue to celebrate the 50<sup>th</sup> Anniversary of the Shire boundary we know today, it brings me great pleasure to continue to lead the Shire of Ashburton and deliver positive, valuable outcomes and opportunities for the community.

**Kenn Donohoe**

Shire of Ashburton Chief Executive Officer

# executive team



## Kenn Donohoe

Chief Executive Officer

- Aviation and Tourism
- Human Resources
- Land and Asset Compliance
- Media & Communications



## Chantelle McGurk

Director Projects and Procurement

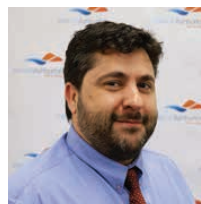
- Strategic Projects
- Facilities and Aquatics
- Procurement



## Ty Matson

Director People and Place  
February 2022 – June 2022

- Community Services
- Development Services
- Libraries
- Regulatory Services



## Adam Majid

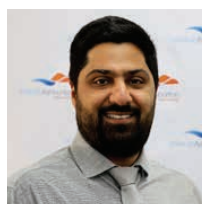
Director People and Place  
July 2021 – November 2021



## Matt Fanning

Director Infrastructure Services  
January 2022 – June 2022

- Assets and Programming
- Fleet
- Maintenance
- Roads and Civil Projects
- Waste Services



## Maz Khosravi

Director Infrastructure Services  
July 2021 – December 2021



## Nathan Cain

Director Corporate Services

- Finance and Administration
- Governance
- ICT Services



## 2021/2022 achievements & highlights

### Onslow Community Boating Precinct Project

Stage 1 of the Onslow Community Boating Precinct is almost complete, thanks to the efforts of WA based company Ertech.

Funded by the Shire of Ashburton (\$6.4 million), the Chevron Operated Wheatstone Project (\$1.5 million), the Commonwealth Recreational Fishing and Camping Facilities Program (\$0.9 million) and the State Government (\$0.4 million), the project sees a new two-lane boat launching ramp constructed with a central floating jetty.

The works included initial dredging to create deeper waters for safe navigation to and

from the ramp, space for a future small marina, space for future boat trailer parking, earthworks to form the ramp and construction of a number of rock walls.

This project was initiated by the major funding commitment from the Shire of Ashburton and delivered by the Department of Transport and will provide modern, safe boating facilities for local and visiting boat owners as Western Australians take up the State Government's invitation to Wander Out Yonder.

*This activity meets Strategic Objectives 2 and 3 of the Strategic Community Plan - Place and Prosperity*



## Shire of Ashburton 50 Year Celebrations

In June 2022, the Shire of Ashburton celebrated 50 years of the local government boundary we know today.

In 1972, the Shire of West Pilbara was formed as a result of the amalgamation of the Shires of Tableland and Ashburton.

To mark the occasion, celebrations were held in Tom Price and Onslow over two huge weekends in June.

On 11 June, we invited Cold Chisel legend Ian Moss to perform at an anniversary concert in Tom Price, supported by Black Sorrows Trio, Coolibah Collective and Tre Amici. The concert, including carnival rides and food trucks for the community to enjoy was a great way to kick off celebrations.

On 18 June, residents in Onslow celebrated 50 years with a family fun day and anniversary concert in the evening headlined by Australian rock favourite, The Choirboys. Supported by Corey Colum and The Midnight Jokers, residents danced the night away!

Both events provided a great opportunity for our community to come together and celebrate our collective achievements over the last 50 years.

*This activity meets Strategic Objectives 1 and 3 of the Strategic Community Plan - People and Prosperity*

## Environmental Leadership and Sustainability Award

In November 2021, Shire of Ashburton was awarded the Environmental Leadership and Sustainability Award at the LG Professionals WA State Conference for our Pilbara Regional Waste Management Facility. The Pilbara Regional Waste Management Facility is a \$13 million dollar Class 4 facility just 40km from Onslow, and will be the new regional waste management facility for Australia's Northwest.

This award recognises dedication to sustainability through corporate process improvements or initiatives that yield significant real or potential environmental benefits.

The 100% off-grid, solar powered waste facility will accept waste from mining, industrial and oil and gas operations across Northwest Australia. The design has been carefully thought out to ensure minimal disruption to the surrounding landscape and to also comply with strict environmental protection requirements.

The Pilbara Regional Waste Management Facility has been designed and constructed to best practice standards to service the Resource Sector globally, taking waste locally and nationally in addition to waste freighted from the northern hemisphere and hydrocarbons like plastic, trawled from the oceans.



Shire of Ashburton Annual Report 2021/22



The Pilbara Regional Waste Management Facility is jointly funded by the Australian Government (\$9 million), Chevron and the Western Australian Government (\$2 million) and Shire of Ashburton (\$2 million).

The Shire, Chevron and the Western Australian Department of Jobs, Tourism, Science and Innovation are the Key Project Partners in the delivery of the project.

*This activity meets Strategic Objectives 2 and 4 of the Strategic Community Plan - Place and Prosperity*

### **Tom Price Childcare Centre and Emergency Services Precinct Construction**

Construction continues at the Tom Price Childcare Centre and Emergency Services precinct, with the official opening of the facility scheduled for April 2023.

Contractors Emirge have been advancing with the project since they commenced on site in November 2021.

The Tom Price Childcare Centre and Emergency Service Precinct are being delivered to the community by the Shire of Ashburton working in partnership with Rio Tinto and Department of Fire and Emergency Services. Building is expected to be completed by November 2022.

*This activity meets Strategic Objectives 1, 2 and 3 of the Strategic Community Plan - People, Place and Prosperity*

### **Desexing Campaign Success**

In July 2021, the Shire of Ashburton successfully completed their inaugural desexing campaign (*pictured at right*).

Beginning in July and concluding in September, a team of 2 vets, 2 vet nurses, 2 administration staff and 3 rangers successfully desexed 48 animals, microchipped 22 animals, conducted 52 welfare checks, re-homed 19 animals via SAFE, and removed over 100 unwanted animals in the region.

The campaign was instrumental in aiding residents to comply with proposed changes to the *Dog Act 1976* that will require all dogs to be desexed and allowed the Shire to update our records system with current data whilst increasing the compliance rate of animals across the region.

The campaign was run in conjunction with Pets and Vets WA, SAFE Karratha, volunteers, and Shire of Ashburton Ranger Services with financial sponsorship from Chevron Australia, Pilbara Ports Authority, AusGroup Limited and the Shire of Ashburton.

*This activity meets Strategic Objective 1, 3 and 4 of the Strategic Community Plan - Place, Prosperity and Performance*





### **Community Heritage Grant towards Old Onslow restoration**

In April 2022, the Shire of Ashburton was proud to receive a Community Heritage Grant to continue upgrades at the historic Old Onslow Townsite.

The \$20,000 grant will aid in the fabrication and installation of interpretive signage at the Old Onslow Townsite.

The Community Heritage Grants stream of the Heritage Grants Program promotes the telling of stories and intends to encourage the community's engagement with heritage places and is part of a State Government initiative to preserve and promote Western Australia's past.

The Shire of Ashburton is working to develop a number of upgrades to the site which includes clearer navigation, interpretive signage, and the development of an augmented reality app where users can travel back in time and explore the Old Onslow.

Old Onslow provides another tourist drawcard to the Shire of Ashburton, which most notably includes a full reef to range experience from Mackerel Islands and coastal town of Onslow, through to Karijini National Park and the ancient Country surrounding Tom Price as

well as featuring many astrotourism hotspots and geological wonders along the way.

*This activity meets Strategic Objective 2 and 3 of the Strategic Community Plan - Place and Prosperity*

### **Council endorsement of Priority Projects**

As a result of the new Strategic Community Plan and strategic objectives outlined, the Shire has produced a Priority Projects document detailing key advocacy projects Council is committed to focusing on for the next five years.

The 2022 Priority Projects is a visionary statement but one that also enables the Shire to lobby for additional funding from Federal and State Government and from community and industry stakeholders.

As the Shire of Ashburton continues to be a driving force of the Pilbara region and the Western Australian economy, the document also raises awareness of critical issues for the Shire and development opportunities in Onslow, Tom Price and Paraburdoo.

*This activity meets Strategic Objective 3 of the Strategic Community Plan - Prosperity*





**The *Strategic Community Plan 2022-2023* (SCP) shares Council's vision and objectives, aligned to the community's expressed visions and aspirations for the future. It outlines how the Shire will work over the next decade, towards a brighter future, providing opportunity to community.**

### **Community consultation for new SCP**

Community consultation was undertaken prior to the development of this Plan and included whole-of-area surveys (in-person and electronic) and workshops in each of the four Towns.

Results of these engagement processes were taken into consideration in the development of the Strategic Community Plan.

The feedback, suggestions and concepts identified and discussed through the community engagement were the foundation and guiding influence in the development of this Plan.

The Shire of Ashburton regularly consults with community and stakeholders. The results of these instances of previous consultations were also considered during the major review and subsequent development of this Plan.

The engagement process used particularly for the development of this Plan was promoted and advertised extensively to the district of the Shire of Ashburton requesting community and stakeholder input.

Communications and engagement with the community included:

#### **Promotion**

- Shire official website
- Shire social media platforms (LinkedIn, Facebook)
- Official community noticeboards
- Display stalls at community events and activities

#### **Responses**

- Open community workshops (December 2020)
- Community event and online survey (July 2021 to October 2021)
- Community focus groups (November 2021 to December 2021)

State guidelines target 5% of the community population or 500 members of the community to be involved in the community engagement process, using a minimum of two (2) engagement methods.

Participation numbers fell short of the target at 415 participants.

Respondents rated their perspective of the importance and the perceived quality of the services in the district – both those delivered by the Shire and those delivered by other agencies.

### Overview of the new SCP

Based on community feedback, four key aspirational themes were derived – People, Place, Prosperity and Performance. These themes provide the foundation and strategic objectives that aid in the delivery of services and projects to the community. Each of the four objectives has several desired outcomes the Shire aims to progress over the life of this Plan.

- 1. People** – We will support opportunities for the community to be safe, socially active and connected.
- 2. Place** – We will provide sustainable, purposeful, and valued built and natural environment opportunities for the community.
- 3. Prosperity** – We will advocate and drive opportunities for the community to be economically desirable, resilient, and prosperous.
- 4. Performance** – We will lead the organisation, and create the culture, to deliver demonstrated performance excellence to the community.

Over recent years, not only have we provided support to the community, but we have also increased our commitment to infrastructure and asset development to aid in stimulating economic benefits to local businesses and strengthening ties with industry, a position we continue through the life of this Plan.

Through the development of this Plan, we have recognised our progress and identified the need to ensure the Shire has the resource capacity maintain and improve infrastructure and current levels of services to community.







## Strategic Community Plan

The Shire of Ashburton 10 Year Strategic Community Plan 2017 provides focus, direction and represents the hopes and aspirations of the Shire. A minor desktop review of the existing Strategic Community Plan in early 2019, which focused on resetting the Corporate Business Plan along with the integration of other informing strategies. The new plan 'Living Life' 2019 Desktop Review was adopted at the Ordinary Meeting of Council held on 18 June 2019.

## Corporate Business Plan

Achieving the community's vision and the Shire's strategic objectives requires the development of actions to address each strategy contained within the Strategic Community Plan. Careful operational planning and prioritisation is required to achieve the objectives and desired outcomes due to the limited resources available. The Corporate Business Plan converts the Strategic Community Plan into action through the adoption of an Annual Budget.

In accordance with statutory requirements, the Corporate Business Plan was reviewed and endorsed by Council at the 18 June 2019 Ordinary Meeting to assess the progress of projects and realign the Plan's actions and priorities based on current information and available funding. A review of the Corporate Business Plan is due in 2022-23 to align with the newly adopted *Strategic Community Plan 2022 – 2032*.

The tables over page detail the actions under each of the five key strategic goals that were progressed in the 2021/22 financial year.

### Key

- Completed 2020/21 or earlier
- Ongoing/Completed during 2021/22
- Programmed for future year

## GOAL 1

### PEOPLE – We will support opportunities for the community to be safe, socially active, and connected.





The Shire will, in partnership with key agencies, help foster and strengthen community spirit which has been a driving force since the earliest days.

The outcomes and strategies relating to 'People' are outlined below.


#### Objective 1.1 Coordinated delivery of social services and projects for the community

Actions	2021/22 Progress
Continue to work collaboratively with the community to deliver town events	
Collaborate with partners, key stakeholders and other organisations where appropriate	
Implementation of the Youth Engagement Strategy	

#### Objective 1.2 Communities connected with opportunities

Actions	2021/22 Progress
Engage community and stakeholders in accordance with Communication and Engagement Strategy	
Continue to deliver programs welcoming new residents and transient workers into the community	
Engage and celebrate local culture, both Aboriginal and non-Aboriginal	
Implement a cohesive strategy to encourage and support club and community group development	
Encourage and support community involvement with and appreciation of, arts and culture	
Recognise and celebrate the Shire's Aboriginal and Non- Aboriginal history and heritage	
Develop a Reconciliation Action Plan and seek greater Aboriginal engagement and representation in decision making	

#### Objective 1.3 Individual and community learning opportunities





Actions	2021/22 Progress
Support and encourage cultural awareness opportunities	

## GOAL 2

### PLACE – We will provide sustainable, purposeful, and valued built and natural environment opportunities for the community.

The Shire recognises the significance of the natural environment and embraces the principles of sustainability and acknowledges the need to upgrade community infrastructure and public amenities, such as roads, streetscapes, and buildings, for the benefit of the community.

#### Objective 2.1 Coordinated delivery of natural and built environment services and projects for the community

Actions	2021/22 Progress
Advocate for the protection of natural assets and sustainable use of resources and utilities	
Improve recreational access to natural environments with a focus on signage, access and safety	
Collaborate with stakeholders to promote water-wise practices across the Shire	
Advocate for a Tom Price RFDS Airstrip	

#### Objective 2.2 Appropriate, inviting, and diverse employee accommodation and land management opportunities

Actions	2021/22 Progress
Staff Housing Acquisition and Refurbishments	

#### Objective 2.3 Attractive and sustainable townscapes offering opportunities for all communities

Actions	2021/22 Progress
Continue to provide and maintain a range of public open spaces in accordance with asset management plans	



**Objective 2.4** Effective, compliant, and sustainable management of community assets and infrastructure

Actions	2021/22 Progress
Provide and maintain infrastructure in accordance with asset management plans	●
Plan and develop Onslow Marina	●
Upgrade Onslow Jetty/Boat Ramp	●
Upgrade and renewal of drainage infrastructure	●

**Objective 2.5** Enhanced community opportunities for sustainable waste management




Actions	2021/22 Progress
Encourage and implement improved waste minimisation practices	●
Development and operation of the Pilbara Regional Waste Management Facility	●







**Objective 2.6** Land use opportunities to benefit current and future communities

Actions	2021/22 Progress
Provision of independent living housing in Onslow; advocate for independent living in Tom Price and Paraburdoo.	
Facilitate timely release of land to support the local economy	
Continue to monitor industry and economic trends and ensure town planning schemes respond appropriately to future housing, accommodation and commercial needs	
Continue to ensure any new buildings and developments are sensitive to, and integrate appropriately with the natural and built environments	
Consider social planning and ecological sustainable development principles in planning strategies and policies	

**Objective 2.7** Quality, well-maintained, and purposeful community facilities

Actions	2021/22 Progress
Promote utilisation of community facilities within resource capacity	
Provide community facilities as per asset management planning	
Paraburdoo CHUB and related facilities	

**Objective 2.8** Safe and interconnected transport networks for the community

Actions	2021/22 Progress
Advocate to, and partner with stakeholders to facilitate the development of the Tom Price – Karratha Road to link Tom Price and Paraburdoo to the Pilbara Cities	
Advocate to improve public transport and roads between the Shire's towns	
Maintain and improve road infrastructure in accordance with asset management plans	
Maintain and improve footpaths, cycleway, kerbs and signage in line with asset management planning	





## GOAL 3

### PROSPERITY

The Shire has tremendous opportunity to diversify employment opportunities for the community with access to developable land and potential partnerships with influential and international mining and resource sector giants.

#### Objective 3.1 Coordinated delivery of economic services and projects for the community

Actions	2021/22 Progress
Develop child care facilities in Tom Price	●
Advocate for the redevelopment or refurbishment of Tom Price and Paraburdoo Hospitals	●
Advocate for more diversified business and economic development in accordance with Economic & Tourism Development Strategy	●
Engage with industry as per Economic & Tourism Development Strategy	●

#### Objective 3.2 Aviation transport opportunities for the community

Actions	2021/22 Progress
Advocate for the development of Beadon Creek Port Hub linking to the Shire's Airport infrastructure.	●
Advocate and partner with key stakeholders to develop an air strip at Tom Price	●
Maintain and improve air transport infrastructure in accordance with asset management plans	●





### Objective 3.3 Clean, safe, and accessible communities

Actions	2021/22 Progress
Advocate for the provision of appropriate services to all of the community	●
Advocate for improved public lighting where appropriate	●
Continue to work with police, stakeholders and the community to promote positive crime prevention and safety initiatives	●
Continue to effectively communicate emergency management plans and educate stakeholders and community on how to prevent and address emergencies	●
Development of Emergency Services Precinct in Tom Price	●
Continue to provide quality regulatory services	●

### Objective 3.4 Sustainable commerce and tourism opportunities

Actions	2021/22 Progress
Develop and implement Shire Economic & Tourism Development Strategy	●
Continue to plan for, invest in, and advocate for the development of key tourist infrastructure in accordance with Economic & Tourism Development Strategy	●
Encourage Aboriginal tourism opportunities in accordance with Economic & Tourism Development Strategy	●
Plan for improved tourism accommodation, camping grounds and associated facilities in accordance with Economic & Tourism Development Strategy	●

## GOAL 4



### PERFORMANCE

The Shire has the responsibility to provide the community with continued strategic leadership and high-level performance management, to maintain accountability and transparency, whilst managing competing demands and needs.



#### **Objective 4.1** Coordinated delivery of organisational leadership and performance excellence for the benefit of the community

Actions	2021/22 Progress
Continue to advocate on behalf of the community	
Develop and deliver a whole of Shire Cultural Plan	
Council to continue to advocate for State Government action on the closure of Wittenoom and rehabilitation of surrounding areas including roads.	

#### **Objective 4.2** Appropriate, sustainable, and transparent management of community funds

Actions	2021/22 Progress
Undertake strategic planning to ensure integration of informing plans for adequate resourcing and service delivery	
Review, update and implement asset management plans	

#### **Objective 4.3** A range of effective opportunities for the community to receive information in a timely manner

Actions	2021/22 Progress
Develop communication and engagement strategy	
Seek to educate the community on the roles responsibilities and achievements of Council	



**Objective 4.4** Information systems to aid delivery of services to the community are robust, reliable, and secure

Actions	2021/22 Progress
Advocate for the provision of appropriate services to all of the community	
Continue to work with police, stakeholders and the community to promote positive crime prevention and safety initiatives	

**Objective 4.5** Safe, engaged, inclusive, and productive workforce culture

Actions	2021/22 Progress
Undertake staff engagement survey to identify strategies to attract and retain staff	
Review and maintain Workforce Plan and associated plans	
Implement strategies with Workforce Plan	
Promote an innovative and engaging corporate culture underpinned by the organisation's vision	
Promote a safe work culture	

**Objective 4.6** Visionary community leadership with sound, diligent and accountable governance

Actions	2021/22 Progress
Support and strengthen the effectiveness of Councillors	



## Freedom of Information

The Shire received three valid freedom of information applications in 2021-2022.

Three were finalised internally. None were transferred to another agency.

The Shire of Ashburton's Freedom of Information statement is available on the Shire's website at <https://www.ashburton.wa.gov.au/documents/172/freedom-of-information-statement-2016-2017>.

The Shire of Ashburton is committed to the reliable and systematic management of government records, in accordance with legislative requirements and best practice standards.

### Financial Year 2021/22

FOI Requests Received	3
Finalised Internally	3
3 <sup>rd</sup> Party Consultations	0

## Complaints and minor breaches

- 0 Number of complaints recorded in the Register of Complaints.
- 0 Complaints and minor breaches
  - How the complaints were dealt with.

## Payments and allowances

- 0 Payments and allowances made to Council members participating on a Standards Panel.
- 0 Payments and allowances paid to the local government for Standards Panel breaches.

## Record-keeping Plan

The Shire's record-keeping plan is currently under review.

## Training and Awareness

Recordkeeping inductions were held with new employees on commencement. This includes records responsibilities and use of the electronic recordkeeping system.

## Information Management Systems

The Shire is continuing a review of its business processes and the various systems used to capture business intelligence across the organisation. An ICT Reference Group consisting of ICT and information management specialists and reporting to the Director of Corporate Services has been formed to inform the review.

## Integrated Planning

- There was a new Strategic Community Plan during the financial year.
- There were no modifications to the Corporate Business Plan during the financial year.

## Annual Salaries

The *Local Government Act 1995* requires Council to provide the number of employees who are entitled to an annual salary of \$130,000 or more and to break those employees into salary bands of \$10,000.

For the period under review, the Shire had 60 employees whose salary exceeded \$100,000.

Of these employees:

Annual Salary	# of Employees
100-110,000	15
110-120,000	20
120-130,000	4
130-140,000	12
140-150,000	2
150-160,000	0
160-170,000	0
170-180,000	0
180-190,000	2
190-200,000	4
310-320,000	1

## Register of Complaints

No complaints were received by the Shire during the reporting period.

## Citizenship Ceremonies

In 2021 / 2022 the Shire welcomed 48 new Australians.

The Shire of Ashburton held citizenship ceremonies across all four towns. There was a total of **16** ceremonies with **6** ceremonies being held in Tom Price, **4** in Onslow, **4** in Paraburdoo and **2** in Pannawonica.

## Credit Cards

Credit cards were issued to 4 Senior Officers during the 2021-22 reporting period. No personal transactions took place.

## Disability Access and Inclusion Plan outcomes

There were no modifications to the Disability Access and Inclusion Plan during the financial year. A review of the plan is scheduled for 2022-2023.





**SHIRE OF ASHBURTON**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

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The Shire of Ashburton conducts the operations of a local government with the following community vision:

*We will be a welcoming, sustainable, and socially active district, offering a variety of opportunities to community.*

Principal place of business:  
 Lot 246, Poinciana Street  
 Tom Price W A 6751

**SHIRE OF ASHBURTON  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

*Local Government Act 1995*  
Local Government (Financial Management) Regulations 1996

**STATEMENT BY CHIEF EXECUTIVE OFFICER**

The attached financial report of the Shire of Ashburton for the financial year ended 30 June 2022 is based on proper accounts and records to present fairly the financial position of the Shire of Ashburton at 30 June 2022 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the 18th day of April 2023

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Kenn Donohoe  
Name of Chief Executive Officer



**SHIRE OF ASHBURTON**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**FOR THE YEAR ENDED 30 JUNE 2022**

	NOTE	2022 Actual	2022 Budget	2021 Actual
		\$	\$	\$
<b>Revenue</b>				
Rates	25(a),2(a)	48,510,515	48,500,000	42,419,577
Operating grants, subsidies and contributions	2(a)	8,940,834	7,694,700	4,135,515
Fees and charges	24(c),2(a)	8,415,635	8,889,300	7,654,497
Service charges	25(d),2(a)	0	0	172,717
Interest earnings	2(a)	172,852	479,300	467,647
Other revenue	2(a)	1,429,045	667,400	806,460
		67,468,881	66,230,700	55,656,413
<b>Expenses</b>				
Employee costs		(18,683,802)	(20,238,700)	(17,613,500)
Materials and contracts		(16,596,361)	(24,626,756)	(14,544,897)
Utility charges		(1,342,156)	(1,680,300)	(1,641,837)
Depreciation	9(a)	(14,763,084)	(14,105,200)	(14,312,655)
Finance costs	2(b)	(195,084)	(74,352)	(221,423)
Insurance		(1,200,484)	(1,182,100)	(1,120,005)
Other expenditure	2(b)	(937,601)	(1,347,200)	(765,451)
		(53,718,572)	(63,254,608)	(50,219,768)
		13,750,309	2,976,092	5,436,645
Non-Operating grants, subsidies and contributions	2(a)	12,709,072	19,487,800	15,532,662
Profit on asset disposals	9(c)	78,235	51,700	69,936
Loss on asset disposals	9(c)	(53,069)	(195,500)	(287,203)
		12,734,238	19,344,000	15,315,395
<b>Net result for the period</b>	24(b)	<b>26,484,547</b>	<b>22,320,092</b>	<b>20,752,040</b>
<b>Total other comprehensive income for the period</b>	16	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income for the period</b>		<b>26,484,547</b>	<b>22,320,092</b>	<b>20,752,040</b>

This statement is to be read in conjunction with the accompanying notes.



## Financial Reports

**SHIRE OF ASHBURTON**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2022**

	NOTE	2022 \$	2021 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	71,720,364	66,833,788
Trade and other receivables	4	1,753,148	2,558,199
Inventories	5	141,924	158,098
Other assets	6	371,287	320,192
<b>TOTAL CURRENT ASSETS</b>		<b>73,986,723</b>	<b>69,870,277</b>
<b>NON-CURRENT ASSETS</b>			
Inventories	5	1,312,849	1,204,116
Property, plant and equipment	7	135,092,981	126,612,835
Infrastructure	8	429,899,157	411,531,184
Right-of-use assets	10(a)	184,413	0
<b>TOTAL NON-CURRENT ASSETS</b>		<b>566,489,400</b>	<b>539,348,135</b>
<b>TOTAL ASSETS</b>		<b>640,476,123</b>	<b>609,218,412</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	5,979,478	4,789,938
Other liabilities	12	13,169,357	9,720,512
Lease liabilities	10(b)	65,398	0
Borrowings	13	492,862	475,420
Employee related provisions	14	1,816,689	1,508,105
<b>TOTAL CURRENT LIABILITIES</b>		<b>21,523,784</b>	<b>16,493,975</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	10(b)	119,764	0
Borrowings	13	1,299,015	1,791,877
Employee related provisions	14	259,128	261,790
Other provisions	15	4,434,868	4,315,753
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>6,112,775</b>	<b>6,369,420</b>
<b>TOTAL LIABILITIES</b>		<b>27,636,559</b>	<b>22,863,395</b>
<b>NET ASSETS</b>		<b>612,839,564</b>	<b>586,355,017</b>
<b>EQUITY</b>			
Retained surplus		275,180,434	237,717,950
Reserve accounts	28	46,979,836	57,957,773
Revaluation surplus	16	290,679,294	290,679,294
<b>TOTAL EQUITY</b>		<b>612,839,564</b>	<b>586,355,017</b>

This statement is to be read in conjunction with the accompanying notes.



**SHIRE OF ASHBURTON  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2022**

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2020</b>		<b>218,953,075</b>	<b>55,970,608</b>	<b>290,679,294</b>	<b>565,602,977</b>
Comprehensive income for the period					
Net result for the period		20,752,040	0	0	20,752,040
Total comprehensive income for the period		20,752,040	0	0	20,752,040
Transfers from reserves	28	20,001,425	(20,001,425)	0	0
Transfers to reserves	28	(21,988,590)	21,988,590	0	0
<b>Balance as at 30 June 2021</b>		<b>237,717,950</b>	<b>57,957,773</b>	<b>290,679,294</b>	<b>586,355,017</b>
Comprehensive income for the period					
Net result for the period		26,484,547	0	0	26,484,547
Total comprehensive income for the period		26,484,547	0	0	26,484,547
Transfers from reserves	28	16,885,045	(16,885,045)	0	0
Transfers to reserves	28	(5,907,108)	5,907,108	0	0
<b>Balance as at 30 June 2022</b>		<b>275,180,434</b>	<b>46,979,836</b>	<b>290,679,294</b>	<b>612,839,564</b>

This statement is to be read in conjunction with the accompanying notes.



## Financial Reports

SHIRE OF ASHBURTON  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		48,299,720	48,264,359	40,264,358
Operating grants, subsidies and contributions		13,091,642	(1,528,270)	5,733,975
Fees and charges		8,413,782	8,889,300	7,587,929
Service charges		0	0	172,717
Interest received		173,149	479,300	467,647
Goods and services tax received		2,270,854	1,500,000	3,147,974
Other revenue		1,428,748	667,400	806,460
		73,677,895	58,272,089	58,181,060
<b>Payments</b>				
Employee costs		(18,291,713)	(20,238,700)	(18,681,688)
Materials and contracts		(17,721,134)	(24,626,756)	(16,044,568)
Utility charges		(1,342,156)	(1,680,300)	(1,641,837)
Finance costs		(195,084)	(74,352)	(221,423)
Insurance paid		(1,200,484)	(1,182,100)	(1,120,005)
Goods and services tax paid		(2,593,420)	(1,500,000)	(2,732,074)
Other expenditure		(613,925)	(1,347,200)	(765,451)
		(41,957,916)	(50,649,408)	(41,207,046)
<b>Net cash provided by operating activities</b>	17(b)	31,719,979	7,622,681	16,974,014
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment		(11,365,445)	(21,434,000)	(13,276,832)
Payments for construction of infrastructure		(28,086,954)	(51,775,000)	(22,196,120)
Non-operating grants, subsidies and contributions		12,828,187	19,487,800	15,648,577
Proceeds from sale of property, plant & equipment	9(c)	282,245	266,000	581,576
<b>Net cash (used in) investing activities</b>		(26,341,967)	(53,455,200)	(19,242,799)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	27(a)	(475,420)	(475,419)	(779,807)
Payments for principal portion of lease liabilities	27(c)	(16,016)	0	0
Proceeds from new borrowings	27(a)	0	5,000,000	0
<b>Net cash provided by (used in) financing activities</b>		(491,436)	4,524,581	(779,807)
<b>Net increase/(decrease) in cash and cash equivalent held.</b>		4,886,576	(41,307,938)	(3,048,592)
Cash at beginning of year		66,833,788	66,924,080	69,882,380
<b>Cash and cash equivalent at the beginning of the year</b>	17(a)	71,720,364	25,616,142	66,833,788

This statement is to be read in conjunction with the accompanying notes.



SHIRE OF ASHBURTON  
RATE SETTING STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>NET CURRENT ASSETS - At start of financial year - surplus/(deficit)</b>	26(b)	1,786,504	(2,192,164)	4,146,845
<b>OPERATING ACTIVITIES</b>				
Revenue from operating activities (excluding general rate)				
Rates (excluding general rate)	25(b)	11,525	0	11,367
Operating grants, subsidies and contributions		8,940,834	7,694,700	4,135,515
Fees and charges		8,415,635	8,889,300	7,654,497
Service charges		0	0	172,717
Interest earnings		173,149	479,300	467,647
Other revenue		1,428,748	667,400	806,460
Profit on asset disposals	9(c)	78,235	51,700	69,936
		19,048,126	17,782,400	13,318,139
Expenditure from operating activities				
Employee costs		(18,683,802)	(20,238,700)	(17,613,500)
Materials and contracts		(16,596,361)	(24,626,756)	(14,544,897)
Utility charges		(1,342,156)	(1,680,300)	(1,641,837)
Depreciation		(14,763,084)	(14,105,200)	(14,312,655)
Finance costs		(195,084)	(74,352)	(221,423)
Insurance		(1,200,484)	(1,182,100)	(1,120,005)
Other expenditure		(937,600)	(1,347,200)	(765,451)
Loss on asset disposals	9(c)	(53,069)	(195,500)	(287,203)
		(53,771,640)	(63,450,108)	(50,506,971)
Non-cash amounts excluded from operating activities	26(a)	14,745,638	13,142,982	14,545,965
<b>Amount attributable to operating activities</b>		(19,977,876)	(32,524,726)	(22,642,867)
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions		12,709,072	19,487,800	15,532,662
Proceeds from disposal of assets	9(c)	282,245	266,000	581,576
Purchase of property, plant and equipment	7(a)	(13,403,762)	(21,597,000)	(13,276,832)
Purchase and construction of infrastructure	8(a)	(28,447,755)	(51,612,000)	(22,196,120)
		(28,860,200)	(53,455,200)	(19,358,714)
<b>Amount attributable to investing activities</b>		(28,860,200)	(53,455,200)	(19,358,714)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	27(a)	(475,420)	(475,419)	(779,807)
Proceeds from borrowings	27(a)	0	5,000,000	0
Payments for principal portion of lease liabilities	27(c)	(16,016)	0	0
Transfers to reserves (restricted assets)	28	(5,907,108)	(1,087,828)	(21,988,590)
Transfers from reserves (restricted assets)	28	16,885,045	36,235,337	20,001,425
<b>Amount attributable to financing activities</b>		10,486,501	39,672,090	(2,766,972)
<b>Surplus/(deficit) before imposition of general rates</b>		(36,565,071)	(48,500,000)	(40,621,708)
<b>Total amount raised from general rates</b>	25(a)	48,498,990	48,500,000	42,408,210
<b>Surplus/(deficit) after imposition of general rates</b>	26(b)	<b>11,933,919</b>	<b>0</b>	<b>1,786,502</b>

This statement is to be read in conjunction with the accompanying notes.



## Financial Reports

**SHIRE OF ASHBURTON  
FOR THE YEAR ENDED 30 JUNE 2022  
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**SHIRE OF ASHBURTON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

**1. BASIS OF PREPARATION**

The financial report comprises general purpose financial statements which have been prepared in accordance with the Local Government Act 1995 and accompanying regulations.

**Local Government Act 1995 requirements**

Section 6.4(2) of the Local Government Act 1995 read with the *local Government (Financial Management) Regulations 1996* prescribe that financial report be prepared in accordance with the *Local Government Act 1995* and to the extent that they are not inconsistent with the Act, the Australian Accounting Standards

The Australian Accounting standards (as they apply to local government and not-for-profit entities) and interpretations of the Australian Accounting Standards Board were applied where no inconsistencies exist.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost, and is considered a zero cost concessionary lease. All right-of-use assets under zero cost concessionary leases are measured at zero cost rather than at fair value, except for vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Shire to measure any vested improvements at zero cost.

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the financial report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

**The local government reporting entity**

All funds through which the Shire controls resources to carry on its functions have been included in the financial statements forming part of this financial report.

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 29 of the financial report.

**Judgements and estimates**

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The balances, transactions and disclosures impacted by accounting estimates are as follows:

- estimated fair value of certain financial assets
- impairment of financial assets
- estimation of fair values of land and buildings, and infrastructure.
- estimation uncertainties made in relation to lease accounting

## Financial Reports

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**2. REVENUE AND EXPENSES**

**(a) Revenue**

**Contracts with customers**

Recognition of revenue is dependant on the source of revenue and the associated terms and conditions associated with each source of revenue and recognised as follows:

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Rates - general rates	General rates	over time	Payment dates adopted by council during the year	None	When rates notice is issued
Service Charges	Underground Power	over time	Payment dates adopted by council during the year	None	When rates notice is issued
Grants subsidies or contributions for other purposes & construction of non-financial assets	construction or acquisition of recognisable non-financial assets & provision of services to the community	over time	Fixed terms transfer of funds based on agreed milestones and reporting	None	Output method based on project milestones and/or completion date matched to performance obligations
Grants subsidies or contributions with no contractual commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	When assets are controlled
Fees and Charges - licences, registrations, approvals	Building, planning, development and animal management, having the same nature as a licence.	Single point in time	Full payment prior to issue	None	On payment of the licence, registration or approval
Fees and charges - pool inspections	Building, Planning	Single point in time	Full payment prior to inspection	None	After inspection complete based on a 4 year cycle
Fees and charges - other inspections	Regulatory food, health and safety	Single point in time	Fully payment prior to inspection	None	Revenue recognised after inspection event occurs
Fees and charges - Waste management entry fees	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Output method based on regular weekly and fortnightly period as proportionate to collection service
Fees and charges - waste management entry fees	Waste treatment recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided monthly in arrears	None	On entry to facility
Fees and charges airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	On landing/departure event
Fees and charges property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within specified number of days	On entry or at conclusion of hire
Fees and charges - memberships	Gym and pool membership	Overtime	Payment in full in advance	Refund for unused portion on application	Output method over 12 months matched to access right
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Output method based on provision of service or completion of works
Fees and charges - sale of stock	Kiosk and visitor centre stock	Single point in time	In full in advance on 15 day credit	Refund for faulty goods	When fine notice is issued
Fees and charges - finds	Fine issued for breaches of local laws	Single point in time	Payment in full within defined time	None	
Other revenue commissions	Commissions ticket sales & visitors centre sales	Overtime	Payment in full on sale	None	When assets are controlled

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**2. REVENUE AND EXPENSES (Continued)**

**(a) Revenue (Continued)**

Revenue recognised during the year under each basis of recognition by nature or types of goods or services is provided in the table below:

**For the year ended 30 June 2022**

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	48,510,515	0	48,510,515
Operating grants, subsidies and contributions	2,645,339	0	0	6,295,495	8,940,834
Fees and charges	0	0	1,627,831	6,787,804	8,415,635
Interest earnings	0	0	67,043	105,809	172,852
Other revenue	0	0	0	1,113,135	1,113,135
Non-operating grants, subsidies and contributions	0	12,709,072	0	0	12,709,072
<b>Total</b>	<b>2,645,339</b>	<b>12,709,072</b>	<b>50,205,389</b>	<b>14,302,242</b>	<b>79,862,043</b>

**For the year ended 30 June 2021**

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	42,419,577	0	42,419,577
Operating grants, subsidies and contributions	0	0	0	4,135,515	4,135,515
Fees and charges	0	0	1,421,835	6,232,662	7,654,497
Service charges	0	0	0	172,717	172,717
Interest earnings	0	0	71,265	390,612	461,877
Other revenue	0	0	0	806,460	806,460
Non-operating grants, subsidies and contributions	0	15,532,662	0	0	15,532,662
<b>Total</b>	<b>0</b>	<b>15,532,662</b>	<b>43,912,677</b>	<b>11,737,966</b>	<b>71,183,305</b>

Note	2022 Actual	2022 Budget	2021 Actual
<b>Interest earnings</b>			
Interest on reserve funds	94,639	307,800	282,353
Rates instalment and penalty interest (refer Note 25(f))	67,043	66,500	72,757
Other interest earnings	11,170	105,000	106,767
	<b>172,852</b>	<b>479,300</b>	<b>461,877</b>
<b>(b) Expenses</b>			
<b>Auditors remuneration</b>			
- Audit of the Annual Financial Report	55,000	55,000	55,000
- Other services	870	400	4,370
	<b>55,870</b>	<b>55,400</b>	<b>59,370</b>
<b>Finance costs</b>			
Borrowings 27(a)	74,353	74,353	105,507
Other provisions: unwinding of discount 15	119,115	0	115,916
Lease liabilities 27(c)	1,616	0	0
	<b>195,084</b>	<b>74,353</b>	<b>221,423</b>
<b>Other expenditure</b>			
Impairment losses on receivables from contracts with customers	323,678	0	325,531
Sundry expenses	613,923	1,347,200	439,920
	<b>937,601</b>	<b>1,347,200</b>	<b>765,451</b>

## Financial Reports

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**3. CASH AND CASH EQUIVALENTS**

	Note	2022 \$	2021 \$
Cash at bank and on hand		24,740,528	8,876,014
Term deposits		46,979,836	57,957,774
<b>Total cash and cash equivalents</b>	17(a)	<b>71,720,364</b>	<b>66,833,788</b>
Held as			
- Unrestricted cash and cash equivalents		24,740,530	9,720,512
- Restricted cash and cash equivalents	17(a)	46,979,834	57,957,771
		<b>71,720,364</b>	<b>67,678,283</b>

**SIGNIFICANT ACCOUNTING POLICIES****Cash and cash equivalents**

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk and which are subject to an insignificant risk of changes in value.

Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours notice with no loss of interest.

**Restricted financial assets**

Restricted financial asset balances are not available for general use by the local government due to externally imposed restrictions. Restrictions are specified in an agreement, contract or legislation. This applies to reserves, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement and for which no liability has been recognised.

Details of restrictions on financial assets can be found at Note 17.

**SHIRE OF ASHBURTON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

**4. TRADE AND OTHER RECEIVABLES**

	Note	2022 \$	2021 \$
<b>Current</b>			
Rates receivable		631,721	735,549
Trade and other receivables		953,925	1,979,567
GST receivable		491,180	168,614
Allowance for credit losses of trade and other receivables	22(b)	(323,678)	(325,531)
		<b>1,753,148</b>	<b>2,558,199</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Trade and other receivables**

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for grants, contributions, reimbursements, and goods sold and services performed in the ordinary course of business.

Trade and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value.

**Impairment and risk exposure**

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 22.

**Classification and subsequent measurement**

Receivables which are generally due for settlement within 30 days except rates receivables which are expected to be collected within 12 months are classified as current assets. All other receivables such as, deferred pensioner rates receivable after the end of the reporting period are classified as non-current assets.

Trade and other receivables are held with the objective to collect the contractual cashflows and therefore the Shire measures them subsequently at amortised cost using the effective interest rate method.

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value. Non-current receivables are indexed to value is considered immaterial.

## Financial Reports

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**5. INVENTORIES**

	Note	2022 \$	2021 \$
<b>Current</b>			
Fuel and materials		56,718	62,280
Visitor centre stock		82,293	95,818
Corporate Uniforms		2,913	0
		141,924	158,098
<b>Non-current</b>			
Land held for resale			
Cost of acquisition		400,892	400,892
Development costs		911,957	803,224
		1,312,849	1,204,116

The following movements in inventories occurred during the year:

<b>Balance at beginning of year</b>	1,362,214	1,295,000
Additions to inventory	92,559	67,214
<b>Balance at end of year</b>	1,454,773	1,362,214

**SIGNIFICANT ACCOUNTING POLICIES****General**

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**Land held for resale**

Land held for development and resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development.

**Land held for resale (Continued)**

Borrowing costs and holding charges incurred after development is completed are expensed.

Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed onto the buyer at this point.

Land held for resale is classified as current except where it is held as non-current based on the Council's intentions to release for sale.

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**6. OTHER ASSETS**

**Other assets - current**

Prepayments

Accrued income

	2022	2021
	\$	\$
Prepayments	5,503	88,575
Accrued income	365,784	231,617
	371,287	320,192

**SIGNIFICANT ACCOUNTING POLICIES**

**Other current assets**

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

**Accrued Income**

Accrued income represents income that has been earned however yet to be received within the reporting period.



## Financial Reports

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**7. PROPERTY, PLANT AND EQUIPMENT**

**(a) Movements in Balances**

Movement in the balances of each class of property, plant and equipment between the beginning and the end of the current financial year.

Note	Land	Buildings - non- specialised	Buildings - specialised	Total land and buildings	Furniture and equipment	Plant and equipment	PPE - Works in Progress	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2020</b>	12,045,000	13,684,665	83,269,225	108,998,890	867,004	7,938,244	1,166,921	118,971,059
Additions	4,156,518	583,613	4,439,523	9,179,654	258,174	1,992,571	1,846,433	13,276,832
Disposals	0	0	(245,453)	(245,453)	0	(553,390)	0	(798,843)
Depreciation	0	(606,690)	(3,055,426)	(3,662,116)	(174,345)	(631,674)	0	(4,468,135)
Transfers / Reclassifications	0	500,616	163,805	664,421	0	0	(1,032,499)	(368,078)
<b>Balance at 30 June 2021</b>	16,201,518	14,162,204	84,571,674	114,935,396	950,833	8,745,751	1,980,855	126,612,835
<b>Comprises:</b>								
Gross balance amount at 30 June 2021	16,201,518	14,768,894	88,094,939	119,065,351	1,389,746	9,824,020	1,980,855	132,259,972
Accumulated depreciation at 30 June 2021	0	(606,690)	(3,523,265)	(4,129,955)	(438,913)	(1,078,269)	0	(5,647,137)
<b>Balance at 30 June 2021</b>	16,201,518	14,162,204	84,571,674	114,935,396	950,833	8,745,751	1,980,855	126,612,835
Additions	2,165,603	0	3,037,456	5,203,059	459,504	1,065,404	6,675,795	13,403,762
Disposals	0	0	0	0	(1,920)	(255,159)	0	(257,079)
Depreciation	0	(615,786)	(3,156,607)	(3,772,393)	(227,103)	(667,041)	0	(4,666,537)
Transfers	0	0	58,861	58,861	0	0	(58,861)	0
<b>Balance at 30 June 2022</b>	18,367,121	13,546,418	84,511,384	116,424,923	1,181,314	8,888,955	8,597,789	135,092,981
<b>Comprises:</b>								
Gross balance amount at 30 June 2022	18,367,121	14,768,894	91,191,256	124,327,271	1,846,850	10,588,046	8,597,789	145,359,956
Accumulated depreciation at 30 June 2022	0	(1,222,476)	(6,679,872)	(7,902,348)	(665,536)	(1,999,091)	0	(10,266,975)
<b>Balance at 30 June 2022</b>	18,367,121	13,546,418	84,511,384	116,424,923	1,181,314	8,888,955	8,597,789	135,092,981

**SHIRE OF ASHBURTON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

**7. PROPERTY, PLANT AND EQUIPMENT (Continued)**

**(b) Carrying Value Measurements**

<b>(i) Fair Value</b>	<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of Valuation</b>	<b>Date of Last Valuation</b>	<b>Inputs Used</b>
<b>Land and buildings</b>						
Land		2	Market approach using recent observable market data for similar properties.	Independent registered valuers	June 2020	While the unit rates based on square metres could be supported from market evidence (level 2) other inputs such as zoning, restrictions, accessibility (level 3) required extensive professional judgement and impacted significantly on the final determination.
Buildings - non-specialised		2	Market approach using recent observable market data for similar properties.	Independent registered valuers	June 2020	Market or estimated price per square meter
Buildings - specialised		3	Cost approach using depreciation replacement cost.	Independent registered valuers	June 2020	This required estimating the replacement cost for each building by componentising the buildings into significant parts with different useful lives and taking into account a range of factors. Other inputs such as residual value, useful life, pattern of consumption and asset condition required extensive professional judgement and impacted significantly on the final determination

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.

**(ii) Cost**

**Furniture and equipment**

Purchase Cost

**Plant and equipment**

Purchase Cost

## Financial Reports

SHIRE OF ASHBURTON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022

## 8. INFRASTRUCTURE

## (a) Movements in Balances

Movement in the balances of each class of infrastructure between the beginning and the end of the current financial year.

Note	Infrastructure - roads	Infrastructure - Pathways	Other Infrastructure - Drainage	Other Infrastructure - Airport	Other Infrastructure - Bridges	Umer Infrastructure - Parks and Recreation	Other Infrastructure - Towns	Other Infrastructure - Waste	Other Infrastructure - Works in Progress	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2020	270,381,477	8,330,659	30,721,428	45,182,813	1,443,119	22,475,481	6,311,091	6,713,393	7,252,045	398,811,506
Additions	1,819,747	2,047,174	473,361	392,652	0	4,280,525	34,245	133,988	13,014,428	22,196,120
Depreciation	(6,765,774)	(192,353)	(565,611)	(830,281)	(32,848)	(871,835)	(280,068)	(305,750)	0	(9,844,520)
Reclassification	113,633	0	12,588	0	0	303,383	384,302	0	(813,906)	0
Transfers	0	0	0	150	0	78,345	8,636	0	280,947	388,078
Balance at 30 June 2021	265,549,083	10,185,480	30,641,766	44,745,334	1,410,271	26,265,899	6,458,206	6,541,631	19,733,514	411,531,184
Comprises:										
Gross balance at 30 June 2021	340,542,933	12,942,119	51,843,811	51,963,038	2,627,875	35,435,654	8,477,200	8,523,774	19,733,514	532,089,918
Accumulated depreciation at 30 June 2021	(74,993,850)	(2,756,639)	(21,202,045)	(7,217,704)	(1,217,604)	(9,169,755)	(2,018,994)	(1,982,143)	0	(120,558,734)
Balance at 30 June 2021	265,549,083	10,185,480	30,641,766	44,745,334	1,410,271	26,265,899	6,458,206	6,541,631	19,733,514	411,531,184
Additions	9,825,305	371,146	224,790	3,346,695	0	9,249,234	811,360	0	4,619,225	28,447,755
Depreciation	(6,846,686)	(226,542)	(566,826)	(836,605)	(32,848)	(950,691)	(305,765)	(313,819)	0	(10,079,782)
Transfers	755,310	1,800	23,753	1,145,475	0	637,273	11,998	0	(2,575,609)	0
Balance at 30 June 2022	269,283,012	10,331,884	30,323,483	48,400,899	1,377,423	35,201,715	6,975,799	6,227,812	21,777,130	429,898,157
Comprises:										
Gross balance at 30 June 2022	351,123,549	13,315,065	52,082,353	58,455,208	2,627,875	45,322,161	9,300,558	8,523,774	21,777,130	560,537,673
Accumulated depreciation at 30 June 2022	(81,840,537)	(2,983,181)	(21,768,870)	(8,054,309)	(1,250,452)	(10,120,446)	(2,324,759)	(2,295,962)	0	(130,638,516)
Balance at 30 June 2022	269,283,012	10,331,884	30,323,483	48,400,899	1,377,423	35,201,715	6,975,799	6,227,812	21,777,130	429,898,157

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8. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

(i) Fair Value	Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
	Infrastructure - roads	3	Cost approach using depreciated replacement cost.	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
	Other infrastructure - Pathways	3	Cost approach using depreciated replacement cost.	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
	Other infrastructure - Drainage	3	Cost approach using depreciated replacement cost.	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
	Other infrastructure - Airport	3	Cost approach using depreciated replacement cost.	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
	Other infrastructure - Bridges	3	Cost approach using depreciated replacement cost.	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
	Other infrastructure - Parks and Recrea	3	Cost approach using depreciated replacement cost.	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
	Other infrastructure - Towns	3	Cost approach using depreciated replacement cost.	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
	Other infrastructure - Waste	3	Cost approach using depreciated replacement cost.	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used to determine the fair value of infrastructure using level 3 inputs.

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**9. FIXED ASSETS****(a) Depreciation**

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Buildings - non-specialised	7(a)	615,786	588,600	606,690
Buildings - specialised	7(a)	3,156,607	3,054,600	3,055,426
Furniture and equipment	7(a)	227,103	155,700	174,345
Plant and equipment	7(a)	667,041	630,200	631,674
Infrastructure - roads	8(a)	6,846,686	6,765,700	6,765,774
Other infrastructure - Pathways	8(a)	226,542	192,300	192,353
Other infrastructure - Drainage	8(a)	566,826	565,600	565,611
Other infrastructure - Airport	8(a)	836,605	830,200	830,281
Other infrastructure - Bridges	8(a)	32,848	32,800	32,848
Other infrastructure - Parks and Recreation	8(a)	950,691	871,800	871,835
Other infrastructure - Towns	8(a)	305,765	280,000	280,068
Other infrastructure - Waste	8(a)	313,819	137,700	305,750
Right-of-use assets - plant and equipment	10(a)	16,765	0	0
		14,763,084	14,105,200	14,312,655

**Depreciation rates**

Typical estimated useful lives for the different asset classes for the current and prior years are included in the table below:

Asset Class	Useful life
Buildings	15 to 100 years
Furniture and Equipment	4 to 10 years
Computer Equipment	3 years
Office Equipment	5 years
Plant and Equipment	3 to 20 years
Motor Vehicles	3 to 5 years
Infrastructure Other	10 to 100 years
Water Supply Piping & Drainage Systems	100 years
Sewerage Piping	100 years
Footpaths	35 to 50 years
<u>Urban Roads (Sealed)</u>	
Formation	not depreciated
Pavement Base	80 years
Seal (Asphalt / Bitumen)	15 to 40 years
<u>Other Roads (Gravel)</u>	
Formation	not depreciated
Pavement Base	80 years
Gravel Sheet	12 years

**(b) Fully Depreciated Assets in Use**

	2022 \$	2021 \$
The gross carrying value of assets held by the Shire which are currently in use yet fully depreciated are shown in the table below.		
Buildings - specialised	1,395	1,395
Furniture and equipment	94,730	94,730
Other infrastructure - Pathways	64,210	0
	160,335	96,125

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**9. FIXED ASSETS (Continued)**

**(c) Disposals of assets**

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss	2022 Budget Net Book Value	2022 Budget Sale Proceeds	2022 Budget Profit	2022 Budget Loss	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Buildings - specialised	0	0	0	0	0	0	0	0	245,453	0	0	(245,453)
Furniture and equipment	1,920	0	0	(1,920)	0	0	0	0	0	0	0	0
Plant and equipment	255,159	282,245	78,234	(51,148)	409,800	266,000	51,700	(195,500)	553,390	581,576	69,936	(41,750)
	257,079	282,245	78,234	(53,068)	409,800	266,000	51,700	(195,500)	798,843	581,576	69,936	(287,203)

The following assets were disposed of during the year.

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss
<b>Plant and Equipment</b>				
<b>Transport</b>				
PE247 - Hino 300 series tipper	15,525	31,482	15,957	0
PE293 - Hino 300 Series Crew C	20,995	35,489	14,494	0
PE294 - Hino 300 Series Crew C	20,400	34,167	13,767	0
PE329 - Hino 300 series tipper	47,436	34,567	0	(12,869)
PE339 - Hiace Van	10,034	23,591	13,557	0
PE384 - Toyota Hilux	9,600	13,858	4,258	0
PE497 - Toyota Fortuner	27,900	39,091	11,191	0
PE563 - Toyota Fortuner	38,279	0	0	(38,279)
PE570 - Toyota Prado Kakadu	64,990	70,000	5,010	0
<b>Economic services</b>				
FE467 - OVCP Washing Machine	1,920	0	0	(1,920)
	257,079	282,245	78,234	(53,068)

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**SHIRE OF ASHBURTON**  
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**9. FIXED ASSETS (Continued)**

**SIGNIFICANT ACCOUNTING POLICIES**

**Fixed assets**

Each class of fixed assets within either property, plant and equipment or infrastructure, is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

**Initial recognition and measurement for assets held at cost**

Plant and equipment including furniture and equipment is recognised at cost on acquisition in accordance with *Financial Management Regulation 17A*. Where acquired at no cost the asset is initially recognised at fair value. Assets held at cost are depreciated and assessed for indicators of impairment annually.

**Initial recognition and measurement between mandatory revaluation dates for assets held at fair value**

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with *Financial Management Regulation 17A (5)*. These assets are expensed immediately.

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Shire includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets that are land, buildings, infrastructure and investment properties acquired between scheduled revaluation dates of the asset class in accordance with the mandatory measurement framework, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next revaluation date in accordance with the mandatory measurement framework.

**Revaluation**

The fair value of land, buildings, infrastructure and investment properties is determined at least every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on vested land acquired by the Shire.

At the end of each period the carrying amount for each asset class is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires land, buildings, infrastructure, investment properties and vested improvements to be shown at fair value.

**Revaluation (continued)**

For property, plant and equipment and infrastructure, increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss. Subsequent increases are then recognised in profit or loss to the extent they reverse a net revaluation decrease previously recognised in profit or loss for the same class of asset.

**Depreciation**

The depreciable amount of all property, plant and equipment and infrastructure, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income in the period in which they arise.

**Depreciation on revaluation**

When an item of property, plant and equipment and infrastructure is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- (i) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. For example, the gross carrying amount may be restated by reference to observable market data or it may be restated proportionately to the change in the carrying amount. The accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses; or
- (ii) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

**Amortisation**

All intangible assets with a finite useful life, are amortised on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use.

The residual value of intangible assets is considered to be zero and the useful life and amortisation method are reviewed at the end of each financial year.

Amortisation is included within depreciation in the Statement of Comprehensive Income and in Note 9(a).



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**10. LEASES**

**(a) Right-of-Use Assets**

Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year.	Note	Right-of-use assets - plant and equipment \$	Right-of-use assets Total \$
Balance at 30 June 2021		0	0
Additions		201,178	201,178
Depreciation	9(a)	(16,765)	(16,765)
Balance at 30 June 2022		184,413	184,413

The following amounts were recognised in the statement of comprehensive income during the period in respect of leases where the entity is the lessee:

		2022 Actual \$	2021 Actual \$
Depreciation on right-of-use assets	9(a)	(16,765)	0
Interest expense on lease liabilities	27(c)	(1,616)	0
<b>Total amount recognised in the statement of comprehensive income</b>		<b>(18,381)</b>	<b>0</b>
Total cash outflow from leases		(17,632)	0

**(b) Lease Liabilities**

Current		65,398	0
Non-current		119,764	0
	27(c)	<b>185,162</b>	<b>0</b>

The Shire has one lease relating to plant and equipment. The lease / supply and ongoing maintenance contract is at a fixed price for a period of three (3) years, with the option of two (2) additional twelve (12) month extensions or part thereof.

**Secured liabilities and assets pledged as security**

Lease liabilities are effectively secured, as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

**SIGNIFICANT ACCOUNTING POLICIES**

**Leases**

At inception of a contract, the Shire assesses if the contract contains or is a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date, a right-of-use asset is recognised at cost and lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Shire uses its incremental borrowing rate.

All contracts that are classified as short-term leases (i.e. a lease with a term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Details of individual lease liabilities required by regulations are provided at Note 27(c).

**Right-of-use assets - valuation measurement**

Right-of-use assets are measured at cost. This means that all right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not included in the Statement of Financial Position). The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which are reported at fair value.

Refer to Note 9 under revaluation for details on the significant accounting policies applying to vested improvements.

**Right-of-use assets - depreciation**

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shorter. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Shire anticipates to exercise a purchase option, the specific asset is amortised over the useful life of the underlying asset.

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**10. LEASES (Continued)**

**(c) Lessor - Property, Plant and Equipment Subject to Lease**

The table below represents a maturity analysis of the undiscounted lease payments to be received after the reporting date.  
 Current Annual Commitments

2022 Actual	2021 Actual
\$	\$
263,627	296,169
263,627	296,169

The Shire leases houses to staff and aged persons with rentals payable monthly. These leases are classified as operating leases as they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. The staff houses are not considered investment property as they are leased for use in the supply of services to the community. The aged persons housing are considered a joint operation and are not considered investment property as the primary purpose is provision of community housing.

Lease payments for some contracts include CPI increases, but there are no other variable lease payments that depend on an index or rate. Although the Shire is exposed to changes in the residual value at the end of the current leases, the Shire typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.

**SIGNIFICANT ACCOUNTING POLICIES**

**The Shire as Lessor**

Upon entering into each contract as a lessor, the Shire assesses if the lease is a finance or operating lease.

The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases. Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (eg legal cost, cost to setup) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

When a contract is determined to include lease and non-lease components, the Shire applies AASB 15 to allocate the consideration under the contract to each component.

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**11. TRADE AND OTHER PAYABLES**

**Current**

	2022	2021
	\$	\$
Sundry creditors	4,853,197	3,494,942
Prepaid rates	174,031	488,654
Accrued payroll liabilities	528,521	442,354
Bonds and deposits held	632	0
Other Payables	415,960	354,632
Accrued Interest	7,137	9,356
	<b>5,979,478</b>	<b>4,789,938</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Financial liabilities**

Financial liabilities are initially recognised at fair value when the Shire becomes a party to the contractual provisions of the instrument.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of the consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

**Trade and other payables**

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services.

The amounts are unsecured, are recognised as a current liability and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

**Prepaid rates**

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the Shire recognises revenue for the prepaid rates that have not been refunded.

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**12. OTHER LIABILITIES****Current**

Contract liabilities

**Reconciliation of changes in contract liabilities**

Opening balance

Additions

Revenue from contracts with customers included as a contract liability at the start of the period

The Shire expects to satisfy the performance obligations from contracts with customers unsatisfied at the end of the reporting period to be satisfied within the next 12 months.

2022	2021
\$	\$
13,169,357	9,720,512
13,169,357	9,720,512
9,720,512	9,404,510
13,169,357	9,720,512
(9,720,512)	(9,404,510)
13,169,357	9,720,512

**SIGNIFICANT ACCOUNTING POLICIES****Contract liabilities**

Contract liabilities represent the Shire's obligation to transfer goods or services to a customer for which the Shire has received consideration from the customer.

Contract liabilities represent obligations which are not yet satisfied. Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

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**13. BORROWINGS**

	<b>Note</b>	<b>2022</b>			<b>2021</b>		
		<b>Current</b>	<b>Non-current</b>	<b>Total</b>	<b>Current</b>	<b>Non-current</b>	<b>Total</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Unsecured</b>							
WA Treasury Corporation		492,862	1,299,015	1,791,877	475,420	1,791,877	2,267,297
<b>Total unsecured borrowings</b>	27(a)	492,862	1,299,015	1,791,877	475,420	1,791,877	2,267,297

**SIGNIFICANT ACCOUNTING POLICIES**

**Borrowing costs**

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature.

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 23(i)) due to the unobservable inputs, including own credit risk.

**Risk**

Information regarding exposure to risk can be found at Note 22.

Details of individual borrowings required by regulations are provided at Note 27(a).

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**14. EMPLOYEE RELATED PROVISIONS**

**Employee Related Provisions**

**Current provisions**

**Employee benefit provisions**

Annual Leave

Long Service Leave

**Non-current provisions**

Long Service Leave

	2022	2021
	\$	\$
Annual Leave	1,038,598	956,423
Long Service Leave	778,091	551,682
	1,816,689	1,508,105
Long Service Leave	259,128	261,790
	259,128	261,790
	2,075,817	1,769,895

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave and associated on costs for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

Annual leave liabilities are classified as current, as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

**Amounts are expected to be settled on the following basis:**

Less than 12 months after the reporting date

More than 12 months from reporting date

Note	2022	2021
	\$	\$
Less than 12 months after the reporting date	1,326,176	1,351,682
More than 12 months from reporting date	749,641	418,213
	2,075,817	1,769,895

**SIGNIFICANT ACCOUNTING POLICIES**

**Employee benefits**

The Shire's obligations for employees' annual leave, long service leave and other employee leave entitlements are recognised as employee related provisions in the Statement of Financial Position.

**Short-term employee benefits**

Provision is made for the Shire's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Shire's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

**Other long-term employee benefits**

Long-term employee benefits provisions are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Shire's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Shire does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

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**15. OTHER PROVISIONS**

	Landfill rehabilitation Provision	Total
	\$	\$
<b>Opening balance at 1 July 2021</b>		
Non-current provisions	4,315,753	4,315,753
	4,315,753	4,315,753
Additional provision	119,115	119,115
<b>Balance at 30 June 2022</b>	4,434,868	4,434,868
<b>Comprises</b>		
Non-current	4,434,868	4,434,868
	4,434,868	4,434,868

**Landfill rehabilitation Provision**

Under the licence for the operation of the Shire of Ashburton waste landfill site, the Shire has a legal obligation to restore the site.

The estimated future obligations include the costs of restoring the affected areas and continued monitoring of the site.

The provision for future remediation costs is the best estimate of the present value of the expenditure required to settle the remediation obligation at the reporting date. Future remediation costs are reviewed annually and any changes in the estimate are reflected in the present value of the remediation provision at each reporting date.

**Provisions**

Provisions are recognised when the Shire has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.



**SHIRE OF ASHBURTON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

**16. REVALUATION SURPLUS**

	2022			2022			2021			2021		
	Opening Balance	Revaluation Increment	Revaluation (Decrement)	Closing Balance	Opening Balance	Revaluation Increment	Revaluation (Decrement)	Closing Balance	Opening Balance	Revaluation Increment	Revaluation (Decrement)	Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	30,564,476	0	0	30,564,476	30,564,476	0	0	30,564,476	30,564,476	0	0	30,564,476
Revaluation surplus - Furniture and equipment	612,552	0	0	612,552	612,552	0	0	612,552	612,552	0	0	612,552
Revaluation surplus - Plant and equipment	827,843	0	0	827,843	827,843	0	0	827,843	827,843	0	0	827,843
Revaluation surplus - Infrastructure - roads	231,236,251	0	0	231,236,251	231,236,251	0	0	231,236,251	231,236,251	0	0	231,236,251
Revaluation surplus - Other infrastructure - Pathways	4,562,594	0	0	4,562,594	4,562,594	0	0	4,562,594	4,562,594	0	0	4,562,594
Revaluation surplus - Other infrastructure - Drainage	18,554,989	0	0	18,554,989	18,554,989	0	0	18,554,989	18,554,989	0	0	18,554,989
Revaluation surplus - Other infrastructure - Airport	3,316,303	0	0	3,316,303	3,316,303	0	0	3,316,303	3,316,303	0	0	3,316,303
Revaluation surplus - Other infrastructure - Bridges	1,003,670	0	0	1,003,670	1,003,670	0	0	1,003,670	1,003,670	0	0	1,003,670
Revaluation surplus - Other infrastructure - Waste	616	0	0	616	616	0	0	616	616	0	0	616
	290,679,294	0	0	290,679,294	290,679,294	0	0	290,679,294	290,679,294	0	0	290,679,294

Movements on revaluation of property, plant and equipment (including infrastructure) are not able to be reliably attributed to a program as the assets were revalued by class as provided for by AASB 116 Aus 40.1.

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**17. NOTES TO THE STATEMENT OF CASH FLOWS**

**(a) Reconciliation of Cash**

For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the Statement of Financial Position as follows:

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Cash and cash equivalents	3	71,720,364	25,616,142	66,833,788
<b>Restrictions</b>				
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:				
- Cash and cash equivalents	3	46,979,834	22,895,137	57,957,771
		46,979,834	22,895,137	57,957,771
The restricted financial assets are a result of the following specific purposes to which the assets may be used:				
Restricted reserve accounts	28	46,979,834	22,895,137	57,957,771
<b>Total restricted financial assets</b>		46,979,834	22,895,137	57,957,771

**(b) Reconciliation of Net Result to Net Cash Provided By Operating Activities**

Net result		26,484,547	22,320,092	20,752,040
Non-cash items:				
Depreciation/amortisation		14,763,084	14,105,200	14,312,655
(Profit)/loss on sale of asset		(25,166)	143,800	217,267
Changes in assets and liabilities:				
(Increase)/decrease in trade and other receivables		805,050	0	1,213,947
(Increase)/decrease in other assets		(51,095)	0	1,046,285
(Increase)/decrease in inventories		(92,559)	0	(67,214)
Increase/(decrease) in trade and other payables		(1,209,578)	0	(6,099,357)
Increase/(decrease) in employee related provisions		305,922	0	(239,894)
Increase/(decrease) in other provisions		119,115	0	115,915
Increase/(decrease) in other liabilities		3,448,845	(9,458,611)	1,370,947
Non-operating grants, subsidies and contributions		(12,828,187)	(19,487,800)	(15,648,577)
Net cash provided by/(used in) operating activities		31,719,978	7,622,681	16,974,014

**(c) Undrawn Borrowing Facilities**

**Credit Standby Arrangements**

Bank overdraft limit	0	0
Bank overdraft at balance date	0	0
Credit card limit	45,000	40,000
Credit card balance at balance date	(13,694)	(12,462)
<b>Total amount of credit unused</b>	31,306	27,538

**Loan facilities**

Loan facilities - current	492,862	475,420
Loan facilities - non-current	1,299,015	1,791,877
<b>Total facilities in use at balance date</b>	1,791,877	2,267,297

**Unused loan facilities at balance date**

0	0
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**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**18. CONTINGENT LIABILITIES**

**Wittenoom Asbestos**

Wittenoom asbestos claims are being made against a number of defendants including the Shire by former residents and visitors to Wittenoom for potential damages incurred as a result of suffering from asbestos related diseases.

The present outlook for the Shire in relation to Wittenoom litigation is being carefully monitored by the Council and the Executive on a monthly basis. The amount of potential claims and the Shire's potential contribution to the settlement of these has remained relatively steady over the current period.

Total future potential claims in respect of Wittenoom are not reliably quantifiable; however, the changing nature of damages claims and their defence means that individual cases could potentially place the Shire at a greater financial risk.

The Shire has a commitment from the State Government that it will support a financial contribution if the Wittenoom impost becomes too onerous for the Shire. All cases to date have been settled out of court with a number of parties contributing to the settlement process. Out of court settlements result in no judgement being reached by the court.

The amount of on-going claims and the manner in which they were concluded have not been disclosed as this may prejudice the Shire's position in an individual case.

In the event that a number of cases brought against the Shire and additional defendants are ruled in favour of the plaintiff, the financial impact on the Shire may result in significant losses being incurred which in turn may convert to higher rating levels, or a reduction in services provided to ratepayers.

**19. CAPITAL COMMITMENTS**

	2022	2021
	\$	\$
Contracted for:		
- capital expenditure projects	18,180,329	6,766,494
- plant & equipment purchases	853,804	197,869
	19,034,133	6,964,363
Payable:		
- not later than one year	19,034,133	6,964,363

The capital expenditure projects outstanding at the end of the current report period represent the a variety of projects currently undergoing construction. Major projects include Onslow Ocean View Caravan Park, Tom Price Child Care Facility, Tom Price Emergency facility, Tom Price Pump Track, Tom Price Skate Park and Onslow Basin beautification.  
 Major plant include Rear Loader Garbage compactor, Regional Waste Facility weighbridge, service trailer and restoring the Bedford Fire Truck.

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**20. RELATED PARTY TRANSACTIONS**

(a) Elected Member Remuneration	Note	2022	2022	2021
		Actual	Budget	Actual
		\$	\$	\$
<b>Cr Kerry White</b>				
President's annual allowance		63,354	63,500	63,354
Meeting attendance fees		31,149	31,149	31,149
Annual allowance for ICT expenses		2,500	2,500	500
Travel and accommodation expenses		5,528	5,000	4,288
		102,531	102,149	99,291
<b>Cr Matthew Lynch</b>				
Deputy President's annual allowance		11,152	16,500	0
Meeting attendance fees		23,230	23,230	23,230
Annual allowance for ICT expenses		2,500	2,500	500
Travel and accommodation expenses		2,509	5,000	3,156
		39,391	47,230	26,886
<b>Ex. Cr Douglas Diver (1 July 2021 to 16 October 2021)</b>				
Deputy President's annual allowance		4,686	0	15,838
Meeting attendance fees		6,874	23,230	23,230
Annual allowance for ICT expenses		740	2,500	500
Travel and accommodation expenses		1,694	5,000	2,792
		13,994	30,730	42,360
<b>Cr Melanie Gallanagh</b>				
Meeting attendance fees		23,230	23,230	23,230
Annual allowance for ICT expenses		2,500	2,500	500
Travel and accommodation expenses		414	5,000	3,121
		26,144	30,730	26,851
<b>Cr Linton Rumble</b>				
Meeting attendance fees		23,230	23,230	23,230
Annual allowance for ICT expenses		2,500	2,500	500
Travel and accommodation expenses		6,095	5,000	3,640
		31,825	30,730	27,370
<b>Cr Jamie Richardson</b>				
Meeting attendance fees		23,230	23,230	23,230
Annual allowance for ICT expenses		2,500	2,500	500
Travel and accommodation expenses		3,325	5,000	4,890
		29,055	30,730	28,620
<b>Cr Rory De Pledge</b>				
Meeting attendance fees		23,230	23,230	23,230
Annual allowance for ICT expenses		2,500	2,500	500
Travel and accommodation expenses		5,322	5,000	4,156
		31,052	30,730	27,886
<b>Ex Douglas Dias (1 July 2021 to 16 October 2021)</b>				
Meeting attendance fees		6,874	23,230	23,230
Other expenses		0	0	48
Annual allowance for ICT expenses		740	2,500	500
Travel and accommodation expenses		1,200	5,000	2,148
		8,814	30,730	25,926
<b>Ex Peter Foster (Resigned 1 April 2021)</b>				
Meeting attendance fees		0	23,230	17,422
Child care expenses		0	500	122
Annual allowance for ICT expenses		0	2,500	375
Travel and accommodation expenses		0	5,000	3,000
		0	31,230	20,919
<b>Cr Audra Smith (from 17 October 2021)</b>				
Meeting attendance fees		16,356	0	0
Annual allowance for ICT expenses		1,760	0	0
Travel and accommodation expenses		807	0	0
		18,923	0	0

## Financial Reports

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**20. RELATED PARTY TRANSACTIONS****(a) Elected Member Remuneration (Continued)**

Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>Cr Tina Mladenovic (From 17 October 2021)</b>			
Meeting attendance fees	16,356	0	0
Annual allowance for ICT expenses	1,760	0	0
Travel and accommodation expenses	1,098	0	0
	19,214	0	0
<b>Cr Alana Sullivan (From 17 October 2021)</b>			
Meeting attendance fees	16,356	0	0
Annual allowance for ICT expenses	1,760	0	0
Travel and accommodation expenses	1,327	0	0
	19,443	0	0
	340,386	364,989	326,109
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
	2022 Actual \$	2022 Budget \$	2021 Actual \$
President's annual allowance	63,354	63,500	63,354
Deputy President's annual allowance	15,838	16,500	15,838
Meeting attendance fees	210,115	217,500	211,181
Child care expenses	0	500	122
Other expenses	0	0	48
Annual allowance for ICT expenses	21,760	22,500	4,375
Travel and accommodation expenses	29,319	73,000	31,191
20(b)	340,386	393,500	326,109

**(b) Key Management Personnel (KMP) Compensation**

The total of compensation paid to KMP of the Shire during the year are as follows:	2022 Actual \$	2021 Actual \$
Short-term employee benefits	1,175,085	1,156,081
Post-employment benefits	125,628	132,921
Employee - other long-term benefits	23,925	23,481
Employee - termination benefits	13,700	118,605
Council member costs	340,386	326,109
20(a)	1,678,724	1,757,197

**Short-term employee benefits**

These amounts include all salary and fringe benefits awarded to KMP except for details in respect to fees and benefits paid to council members which may be separately found in the table above.

**Post-employment benefits**

These amounts are the current-year's cost of the Shire's superannuation contributions made during the year.

**Other long-term benefits**

These amounts represent annual leave and long service leave entitlements accruing during the year.

**Termination benefits**

These amounts represent termination benefits paid to KMP (Note: may or may not be applicable in any given year).

**Council member costs**

These amounts represent payments of member fees, expenses, allowances and reimbursements during the year.

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**20. RELATED PARTY TRANSACTIONS**

**(a) Elected Member Remuneration (Continued)**

Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>Cr Tina Mladenovic (From 17 October 2021)</b>			
Meeting attendance fees	16,356	0	0
Annual allowance for ICT expenses	1,760	0	0
Travel and accommodation expenses	1,098	0	0
	19,214	0	0
<b>Cr Alana Sullivan (From 17 October 2021)</b>			
Meeting attendance fees	16,356	0	0
Annual allowance for ICT expenses	1,760	0	0
Travel and accommodation expenses	1,327	0	0
	19,443	0	0
	340,386	364,989	326,109

Fees, expenses and allowances to be paid or reimbursed to elected council members.

	2022 Actual \$	2022 Budget \$	2021 Actual \$
President's annual allowance	63,354	63,500	63,354
Deputy President's annual allowance	15,838	16,500	15,838
Meeting attendance fees	210,115	217,500	211,181
Child care expenses	0	500	122
Other expenses	0	0	48
Annual allowance for ICT expenses	21,760	22,500	4,375
Travel and accommodation expenses	29,319	73,000	31,191
20(b)	340,386	393,500	326,109

**(b) Key Management Personnel (KMP) Compensation**

	2022 Actual \$	2021 Actual \$
The total of compensation paid to KMP of the Shire during the year are as follows:		
Short-term employee benefits	1,175,085	1,156,081
Post-employment benefits	125,628	132,921
Employee - other long-term benefits	23,925	23,481
Employee - termination benefits	13,700	118,605
Council member costs	340,386	326,109
20(a)	1,678,724	1,757,197

*Short-term employee benefits*

These amounts include all salary and fringe benefits awarded to KMP except for details in respect to fees and benefits paid to council members which may be separately found in the table above.

*Post-employment benefits*

These amounts are the current-year's cost of the Shire's superannuation contributions made during the year.

*Other long-term benefits*

These amounts represent annual leave and long service leave entitlements accruing during the year.

*Termination benefits*

These amounts represent termination benefits paid to KMP (Note: may or may not be applicable in any given year).

*Council member costs*

These amounts represent payments of member fees, expenses, allowances and reimbursements during the year.

## Financial Reports

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**20. RELATED PARTY TRANSACTIONS**

**(c) Transactions with related parties**

Transactions between related parties and the Shire are on normal commercial terms and conditions, no more favourable than those available to other parties, unless otherwise stated.

No outstanding balances or provisions for doubtful debts or guarantees exist in relation to related parties at year end.

In addition to KMP compensation above the following transactions occurred with related parties:

Sale of goods and services

**Amounts outstanding from related parties:**

Trade and other receivables

	2022 Actual	2021 Actual
	\$	\$
Sale of goods and services	5,747	251,481
Trade and other receivables	1,842	2,853

**(d) Related Parties**

**The Shire's main related parties are as follows:**

*i. Key management personnel*

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any council member, are considered key management personnel.

*ii. Other Related Parties*

An associate person of KMP was employed by the Shire under normal employment terms and conditions.

Any entity that is controlled by or over which KMP, or close family members of KMP, have authority and responsibility for planning, directing and controlling the activity of the entity, directly or indirectly, are considered related parties in relation to the Shire.

*iii. Entities subject to significant influence by the Shire*

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.



**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**21. JOINT ARRANGEMENTS**

**Share of joint operations**

Communities Housing (Homeswest):

**Purpose**

The Shire of Ashburton, in conjunction with Homeswest, is providing rental accommodation for senior citizens who are eligible.

**Address:** 46 Second Avenue, Onslow 6710 (Carinya Units 1 - 5)

**Number and Type of Dwellings:**

5 Dwellings - Freehold

Certificate of Title Volume 3042 Folio 6

Drawing No. 190235

**Legal Agreements:**

Joint Venture Agreement dated 2 August 1994, for fifty years from this date.

**Statement of Financial Position**

**Land and Buildings**

Less: accumulated depreciation

**Total assets**

Department of Housing

Shire of Ashburton

**Total equity**

**Statement of Comprehensive Income**

Other Revenue

Other Expenditure

**Profit/(loss) for the period**

Other comprehensive income

**Total comprehensive income for the period**

**Statement of Cash Flows**

**Net cash provided by (used in) operating activities**

	2022 Actual	2021 Actual
	\$	\$
Land and Buildings	460,930	460,930
Less: accumulated depreciation	(71,558)	(35,779)
<b>Total assets</b>	<b>389,372</b>	<b>425,151</b>
Department of Housing	364,964	364,964
Shire of Ashburton	95,966	95,966
<b>Total equity</b>	<b>460,930</b>	<b>460,930</b>
Other Revenue	14,480	12,775
Other Expenditure	(22,349)	(24,741)
<b>Profit/(loss) for the period</b>	<b>(7,869)</b>	<b>(11,966)</b>
Other comprehensive income		
<b>Total comprehensive income for the period</b>	<b>(7,869)</b>	<b>(11,966)</b>
<b>Net cash provided by (used in) operating activities</b>	<b>0</b>	<b>0</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Joint operations**

A joint operation is a joint arrangement where the Shire has joint control with another party to the joint arrangement. All parties to joint arrangements have rights to the assets, and obligations for the liabilities relating to the arrangement.

Assets, liabilities, revenues and expenses relating to the Shire's interest in the joint operation are accounted for in accordance with the relevant Australian Accounting Standard.

## Financial Reports

**SHIRE OF ASHBURTON**  
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**FOR THE YEAR ENDED 30 JUNE 2022**

**22. FINANCIAL RISK MANAGEMENT**

This note explains the Shire's exposure to financial risks and how these risks could affect the Shire's future financial performance.

Risk	Exposure arising from	Measurement	Management
<b>Market risk - interest rates</b>	Long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings
<b>Credit risk</b>	Cash and cash equivalents, trade receivables, financial assets and debt investments	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy
<b>Liquidity risk</b>	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

The Shire does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by the finance area under policies approved by the Council. The finance area identifies, evaluates and manages financial risks in close co-operation with the operating divisions. Council have approved the overall risk management policy and provide policies on specific areas such as investment policy.

**(a) Interest rate risk**

**Cash and cash equivalents**

The Shire's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the Shire to cash flow interest rate risk. Short term overdraft facilities also have variable interest rates however these are repaid within 12 months, reducing the risk level to minimal.

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the Shire to cash flow interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts and non-interest bearing accounts. Carrying amounts of cash and cash equivalents at the 30 June and the weighted average interest rate across all cash and cash equivalents, term deposits, and Treasury bonds held disclosed as financial assets at amortised cost are reflected in the table below.

	Weighted Average Interest Rate %	Carrying Amounts \$	Fixed Interest Rate \$	Variable Interest Rate \$	Non Interest Bearing \$
<b>2022</b>					
Cash and cash equivalents	0.00%	71,720,364	46,979,836	24,482,669	257,859
<b>2021</b>					
Cash and cash equivalents	0.01%	66,833,788	57,957,774	8,624,071	251,943

**Sensitivity**

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates.

	2022 \$	2021 \$
Impact of a 1% movement in interest rates on profit and loss and equity*	717,204	668,338

\* Holding all other variables constant

**Borrowings**

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs.

The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 27(a).

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**22. FINANCIAL RISK MANAGEMENT (Continued)**

**(b) Credit risk**

**Trade and Other Receivables**

The Shire's major receivables comprise rates annual charges and user fees and charges. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The Shire manages this risk by monitoring outstanding debt and employing debt recovery policies. It also encourages ratepayers to pay rates by the due date through incentives.

Credit risk on rates and annual charges is minimised by the ability of the Shire to recover these debts as a secured charge over the land, that is, the land can be sold to recover the debt. The Shire is able to charge interest on overdue rates and annual charges at higher than market rates, which further encourages payment.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

The Shire applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, rates receivable are separated from other trade receivables due to the difference in payment terms and security for rates receivable.

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2021 or 1 July 2022 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors.

The loss allowance as at 30 June 2022 and 30 June 2021 for rates receivable was determined as follows:

	Less than 1 month past due	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total	Note
<b>30 June 2022</b>						
Rates receivable						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	113,799	115,031	47,431	184,992	461,253	
Loss allowance	0	0	0	0	0	4
<b>30 June 2021</b>						
Rates receivable						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	10,853	232,833	153,773	338,090	735,549	
Loss allowance	0	0	0	0	0	4

The loss allowance as at 30 June 2022 and 30 June 2021 was determined as follows for trade receivables.

	Less than 1 Month past due	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total	
<b>30 June 2022</b>						
Trade and other receivables						
Expected credit loss	0.05%	1.45%	3.11%	78.83%		
Gross carrying amount	514,380	20,314	9,706	409,526	953,926	
Loss allowance	260	295	302	322,821	323,678	4
<b>30 June 2021</b>						
Trade and other receivables						
Expected credit loss	23.00%	0.13%	0.04%	47.42%		
Gross carrying amount	808,172	103,358	774,470	293,567	1,979,567	
Loss allowance	185,915	135	283	139,198	325,531	4

## Financial Reports

SHIRE OF ASHBURTON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022

## 22. FINANCIAL RISK MANAGEMENT (Continued)

## (b) Credit risk

The loss allowances for trade receivables and contract assets as at 30 June reconcile to the opening loss allowances as follows:

	Rates receivable		Trade and other receivables		Contract Assets	
	2022 Actual	2021 Actual	2022 Actual	2021 Actual	2022 Actual	2021 Actual
	\$	\$	\$	\$	\$	\$
Opening loss allowance as at 1 July	0		325,531		0	
Increase in loss allowance recognised in profit or loss during the year	0	0	323,678	325,531	0	0
Unused amount reversed	0	0	(325,531)	0	0	0
Closing loss allowance at 30 June	0	0	323,678	325,531	0	0

Trade receivables and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Shire, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**22. FINANCIAL RISK MANAGEMENT (Continued)**

**(c) Liquidity risk**

**Payables and borrowings**

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 17(c).

The contractual undiscounted cash flows of the Shire's payables and borrowings are set out in the liquidity table below. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<b>2022</b>					
Trade and other payables	5,979,478	0	0	5,979,478	5,979,478
Borrowings	492,862	1,055,341	243,674	1,791,877	1,791,877
Contract Liabilities	13,169,357	0	0	13,169,357	13,169,357
Lease liabilities	65,398	119,764	0	185,162	185,162
	19,707,095	1,175,105	243,674	21,125,874	21,125,874
<b>2021</b>					
Trade and other payables	4,789,938	0	0	4,789,938	4,789,938
Borrowings	475,420	1,492,123	299,754	2,267,297	2,267,297
Contract Liabilities	9,720,512	0	0	9,720,512	9,720,512
	14,985,870	1,492,123	299,754	16,777,747	16,777,747

## Financial Reports

SHIRE OF ASHBURTON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022

## 23. OTHER SIGNIFICANT ACCOUNTING POLICIES

**a) Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

**b) Current and non-current classification**

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Shire's operational cycle. In the case of liabilities where the Shire does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current or non-current based on the Shire's intentions to release for sale.

**c) Rounding off figures**

All figures shown in this annual financial report, other than a rate in the dollar, are rounded to the nearest dollar. Amounts are presented in Australian Dollars.

**d) Comparative figures**

Where required, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

When the Shire applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements that has a material effect on the statement of financial position, an additional (third) Statement of Financial Position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

**e) Budget comparative figures**

Unless otherwise stated, the budget comparative figures shown in this annual financial report relate to the original budget estimate for the relevant item of disclosure.

**f) Superannuation**

The Shire contributes to a number of Superannuation Funds on behalf of employees. All funds to which the Shire contributes are defined contribution plans.

**g) Fair value of assets and liabilities**

Fair value is the price that the Shire would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

**h) Interest earnings**

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset measured at amortised cost except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

**i) Fair value hierarchy**

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

**Level 1**

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

**Level 2**

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

**Valuation techniques**

The Shire selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Shire are consistent with one or more of the following valuation approaches:

**Market approach**

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

**Income approach**

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

**Cost approach**

Valuation techniques that reflect the current replacement cost of the service capacity of an asset.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Shire gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

**j) Impairment of assets**

In accordance with Australian Accounting Standards the Shire's cash generating non-specialised assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. AASB 116) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

For non-cash generating specialised assets that are measured under the revaluation model, such as roads, drains, public buildings and the like, no annual assessment of impairment is required. Rather AASB 116.31 applies and revaluations need only be made with sufficient regularity to ensure the carrying value does not differ materially from that which would be determined using fair value at the end of the reporting period.

**k) Initial application of accounting standards**

During the current year, no new or revised Australian Accounting Standards and Interpretations were compiled, became mandatory and were applicable to its operations.

**New accounting standards for application in future years**

The following new accounting standards will have application to local government in future years:

- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current
- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates
- AASB 2021-7 Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

It is not expected these standards will have an impact on the financial report.

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**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**24. FUNCTION AND ACTIVITY**

**(a) Service objectives and descriptions**

Shire operations as disclosed in this financial report encompass the following service orientated functions and activities.

Objective	Description
<b>Governance</b>	
The provision of decision-making process for the efficient allocation of scarce resources.	Includes the activities of members of Council and the administrative support available to the Council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific local government services.
<b>General purpose funding</b>	
To collect revenue to allow for the provision of services.	Rates, general purpose government grants and interest revenue.
<b>Law, order, public safety</b>	
To provide services to help ensure a safer community.	Supervision of various by-laws, fire prevention, emergency services and animal control.
<b>Health</b>	
To assess and manage risks to public health and create and maintain environments that promote good public health.	Food safety, traders permits, septic approvals, analysis of drinking water, public pool safety, monitoring and control of mosquitoes, noise - dust or odour complaints, public building inspections, Environmental Health support to Aboriginal communities, provision of public information on issues such as asbestos, mosquitoes, food hygiene.
<b>Education and welfare</b>	
To meet the needs of the community in these areas.	Maintenance of pre-school facilities & donations to schools. Assistance to welfare groups and Youth Services.
<b>Housing</b>	
To manage housing.	Maintenance of staff and rental housing.
<b>Community amenities</b>	
To provide services required but the community.	Rubbish collections, refuse site operations, litter control, administration of the town planning scheme, cemetery operations, public toilet facilities and protection of the environment.
<b>Recreation and culture</b>	
To establish and manage efficiently infrastructure and resources which help the social well being of the community.	Maintenance of Halls, Swimming pools, sporting facilities, parks and associated facilities, provision of library services in Tom Price, Onslow, Pannawonica & Paraburdoo.
<b>Transport</b>	
To provide effective and efficient transport services to the community.	Construction and maintenance of streets, roads, bridges, footpaths; street lighting, traffic management and airport. Purchase and disposal of Council's Road Plant.
<b>Economic services</b>	
To help promote the Shire and improve its economic well-being.	Building control, management of tourist bureau, tourism and area promotion and standpipes.
<b>Other property and services</b>	
To provide support services for works and plant operations.	Private works operations, plant repairs and operation costs, stock and materials, salaries and wages of Council employees.



## Financial Reports

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**24. FUNCTION AND ACTIVITY (Continued)**

**(b) Income and expenses**

	<b>2022 Actual</b>	<b>2022 Budget</b>	<b>2021 Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Income excluding grants, subsidies and contributions</b>			
Governance	316,994	137,500	360,516
General purpose funding	48,733,559	48,999,600	42,883,130
Law, order, public safety	61,994	74,300	70,824
Health	139,305	152,500	164,754
Education and welfare	45,388	47,800	55,784
Housing	481,802	410,900	436,868
Community amenities	3,056,224	4,061,700	2,842,416
Recreation and culture	468,605	484,000	470,794
Transport	3,091,114	2,750,300	2,480,960
Economic services	1,705,103	1,327,100	1,670,264
Other property and services	506,193	142,000	154,525
	<b>58,606,281</b>	<b>58,587,700</b>	<b>51,590,835</b>
<b>Grants, subsidies and contributions</b>			
Governance	(72,742)	937,000	184,128
General purpose funding	4,787,401	1,766,500	3,477,541
Law, order, public safety	2,251,880	3,875,400	214,261
Health	145,319	167,000	104,162
Education and welfare	2,778,924	4,614,400	3,642,186
Housing	85	0	0
Community amenities	1,308,307	270,000	9,931,794
Recreation and culture	5,449,057	7,800,000	318,121
Transport	4,962,851	6,890,800	1,302,852
Economic services	38,824	861,400	493,133
	<b>21,649,906</b>	<b>27,182,500</b>	<b>19,668,178</b>
<b>Total Income</b>	<b>80,256,187</b>	<b>85,770,200</b>	<b>71,259,013</b>
<b>Expenses</b>			
Governance	(4,556,606)	(6,444,243)	(7,402,114)
General purpose funding	(136,358)	(25,500)	(14,762)
Law, order, public safety	(1,095,869)	(2,185,100)	(1,119,315)
Health	(510,233)	(720,300)	(661,603)
Education and welfare	(326,287)	(373,200)	(311,268)
Housing	(1,593,799)	(1,568,575)	(2,037,245)
Community amenities	(8,262,654)	(9,158,019)	(7,746,323)
Recreation and culture	(15,003,813)	(16,315,100)	(11,161,305)
Transport	(17,196,137)	(18,781,371)	(14,859,102)
Economic services	(4,664,130)	(5,047,400)	(3,340,206)
Other property and services	(425,754)	(2,831,300)	(1,853,730)
<b>Total expenses</b>	<b>(53,771,640)</b>	<b>(63,450,108)</b>	<b>(50,506,973)</b>
<b>Net result for the period</b>	<b>26,484,547</b>	<b>22,320,092</b>	<b>20,752,040</b>

**SHIRE OF ASHBURTON**  
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**24. FUNCTION AND ACTIVITY (Continued)**

	<b>2022 Actual</b>	<b>2022 Budget</b>	<b>2021 Actual</b>
<b>(c) Fees and Charges</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Governance	3,146	10,000	10,136
General purpose funding	25,470	21,300	9,386
Law, order, public safety	42,866	56,800	57,405
Health	139,305	152,500	164,753
Education and welfare	42,270	43,800	52,100
Housing	332,548	199,100	280,163
Community amenities	3,056,224	4,061,700	2,842,416
Recreation and culture	453,296	476,500	441,392
Transport	2,653,426	2,551,600	2,300,710
Economic services	1,664,356	1,304,000	1,474,211
Other property and services	2,727	12,000	21,825
	<b>8,415,634</b>	<b>8,889,300</b>	<b>7,654,497</b>

	<b>2022</b>	<b>2021</b>
<b>(d) Total Assets</b>	<b>\$</b>	<b>\$</b>
Governance	20,063,213	18,654,463
General purpose funding	8,036,121	8,743,729
Law, order, public safety	3,091,246	1,075,269
Health	31,936	22,669
Education and welfare	11,776,747	8,314,879
Housing	21,877,117	21,339,985
Community amenities	29,473,615	29,471,296
Recreation and culture	77,192,907	65,073,744
Transport	400,623,544	399,918,733
Economic services	29,045,505	32,181,118
Other property and services	14,813,626	15,077,022
Unallocated	24,450,546	9,345,505
	<b>640,476,123</b>	<b>609,218,412</b>

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SHIRE OF ASHBURTON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022

## 25. RATING INFORMATION

### (a) General Rates

[illegible]

The entire balance of rates revenue has been recognised at a point in time in accordance with AASB 1058 *Income for not-for-profit entities*.

**SHIRE OF ASHBURTON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**25. RATING INFORMATION (Continued)**

**(d) Service Charges**

	Amount of Charge	2021/22 Actual Revenue Raised	2021/22 Actual Charges Applied to Costs	2021/22 Actual Charges Set Aside to Reserve	2021/22 Actual Reserve Applied to Costs	2021/22 Budget Revenue	2021/22 Budget Charges Applied to Costs	2021/22 Budget Charges Set Aside to Reserve	2021/22 Budget Reserve Applied to Costs	2020/21 Total Actual Revenue
<b>Service Charges</b>										
Residential - Full Overhead	0	0	0	0	0	0	0	0	0	45,689
Residential - Full Overhead Pensioner	0	0	0	0	0	0	0	0	0	1,302
Residential - Consumer Mains Underground	0	0	0	0	0	0	0	0	0	7,393
Residential - Transformer / Vacant Connection	0	0	0	0	0	0	0	0	0	1,901
Residential - Base Rate	0	0	0	0	0	0	0	0	0	2,105
Commercial Mixed Use - Full Overhead	0	0	0	0	0	0	0	0	0	11,132
Commercial - Consumer Mains Underground Pensioner	0	0	0	0	0	0	0	0	0	0
Commercial Mixed Use - Consumer Mains Underground	0	0	0	0	0	0	0	0	0	5,986
Commercial Mixed Use - Transformer Vacant	0	0	0	0	0	0	0	0	0	1,418
Commercial Mixed Use - Base Rate	0	0	0	0	0	0	0	0	0	0
Industrial - Full Overhead	0	0	0	0	0	0	0	0	0	69,495
Industrial - Consumer Mains Underground	0	0	0	0	0	0	0	0	0	10,823
Industrial - Transformer / Vacant Connection	0	0	0	0	0	0	0	0	0	10,455
Industrial - Base Rate	0	0	0	0	0	0	0	0	0	5,018
		0	0	0	0	0	0	0	0	172,717

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**SHIRE OF ASHBURTON**  
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**FOR THE YEAR ENDED 30 JUNE 2022**

**25. RATING INFORMATION (Continued)**

**Waivers or Concessions**

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Waiver/Concession	Discount %	Discount \$	2022		2021	
					Actual	Budget	Actual	Budget
GRV - Residential / Community	Rate	Concession	30.00%	0	\$ 173,789	\$ 163,100	\$ 277,542	\$ 277,542
UV - Pastoral		Concession	30.00%	0	\$ 390,217	\$ 392,700	\$ 245,675	\$ 245,675
					\$ 564,006	\$ 555,800	\$ 523,217	\$ 523,217
Total discounts/concessions (Note 25)					\$ 564,006	\$ 555,800	\$ 523,217	\$ 523,217
Rate or Fee and Charge to which the Waiver or Concession is Granted	Circumstances in which the Waiver or Concession is Granted and to whom it was available			Objects of the Waiver or Concession		Reasons for the Waiver or Concession		
GRV - Residential / Community	Residential ratepayers owning three (3) or less properties in Onslow are eligible for a 30% concession, to a maximum reduction no lower than the Minimum Payment.			The object of this concession is to ameliorate significant increases in property valuations and financial hardship still being experienced through the COVID-19 pandemic.		The object of this concession is to ameliorate significant increases in property valuations and financial hardship still being experienced through the COVID-19 pandemic.		
UV - Pastoral	Pastoral leaseholders will be eligible for a 30.0% concession, to a maximum reduction no lower than the Minimum Payment.			The object of this concession is to ameliorate the effect significant increases in valuations and the added hardship caused by the COVID-19 pandemic.		The object of this concession is to ameliorate the effect significant increases in valuations and the added hardship caused by the COVID-19 pandemic.		

**SHIRE OF ASHBURTON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**25. RATING INFORMATION (Continued)**

**(f) Interest Charges & Instalments**

<b>Instalment Options</b>	<b>Date Due</b>	<b>Instalment Plan Admin Charge</b>	<b>Instalment Plan Interest Rate</b>	<b>Unpaid Rates Interest Rate</b>
		<b>\$</b>	<b>%</b>	<b>%</b>
<b>Option One</b>				
Single full payment	7/10/2021	-	-	7.00%
<b>Option Two</b>				
First instalment	7/10/2021	-	-	7.00%
Second instalment	4/02/2022	15	5.50%	7.00%
<b>Option Three</b>				
First instalment	7/10/2021	-	-	7.00%
Second instalment	6/12/2021	15	5.50%	7.00%
Third instalment	4/02/2022	15	5.50%	7.00%
Fourth instalment	7/04/2022	15	5.50%	7.00%

	<b>2022 Actual</b>	<b>2022 Budget</b>	<b>2021 Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Interest on unpaid rates	51,230	51,500	54,724
Interest on instalment plan	15,813	15,000	16,541
Charges on instalment plan	0	-	6,285
Interest on ESL	950	-	1,492
	<b>67,993</b>	<b>66,500</b>	<b>79,042</b>

## Financial Reports

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**26. RATE SETTING STATEMENT INFORMATION**

		2021/22 (30 June 2022 Carried Forward)	2021/22 Budget (30 June 2022 Carried Forward)	2020/21 (30 June 2021 Carried Forward)
Note		\$	\$	\$
<b>(a) Non-cash amounts excluded from operating activities</b>				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .				
<b>Adjustments to operating activities</b>				
Less: Profit on asset disposals	9(c)	(78,235)	(51,700)	(69,936)
Add: Loss on disposal of assets	9(c)	53,069	195,500	287,203
Add: Depreciation	9(a)	14,763,084	14,105,200	14,312,655
Non-cash movements in non-current assets and liabilities:				
Employee benefit provisions		(2,662)	(1,105,498)	(44,925)
Other provisions		119,115	0	115,915
Contract liabilities		0	(520)	0
Inventory		(108,733)	0	(54,947)
<b>Non-cash amounts excluded from operating activities</b>		<b>14,745,638</b>	<b>13,142,982</b>	<b>14,545,965</b>
<b>(b) Surplus/(deficit) after imposition of general rates</b>				
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
<b>Adjustments to net current assets</b>				
Less: Reserve accounts	28	(46,979,836)	(22,895,137)	(57,957,775)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	13	492,862	5,000,000	475,420
- Movement in contract liability held in reserve		4,075,867	0	437,596
- Current portion of lease liabilities	10(b)	65,398	0	0
- Prior Year Adjustments - Interest		0	0	8,483
- Employee benefit provisions		1,816,689	0	1,508,105
<b>Total adjustments to net current assets</b>		<b>(40,529,020)</b>	<b>(17,895,137)</b>	<b>(51,589,800)</b>
<b>Net current assets used in the Rate Setting Statement</b>				
Total current assets		73,986,723	28,783,787	69,870,277
Less: Total current liabilities		(21,523,784)	(10,888,650)	(16,493,975)
Less: Total adjustments to net current assets		(40,529,020)	(17,895,137)	(51,589,800)
<b>Net current assets used in the Rate Setting Statement</b>		<b>11,933,919</b>	<b>0</b>	<b>1,786,502</b>

**SHIRE OF ASHBURTON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**27. BORROWING AND LEASE LIABILITIES**

**(a) Borrowings**

Purpose	Note	Actual				Budget			
		Principal at 1 July 2020	New Loans During 2020-21	Repayments During 2020-21	Principal at 30 June 2021	New Loans During 2021-22	Repayments During 2021-22	Principal at 30 June 2022	Principal at 30 June 2022
		\$	\$	\$	\$	\$	\$	\$	\$
Onslow Administration Building*		644,752	0	(44,567)	600,185	0	(46,055)	554,130	554,130
Staff Housing*		227,608	0	(71,756)	155,852	0	(75,793)	80,059	80,060
Staff Housing*		321,162	0	(321,162)	0	0	0	0	0
Onslow Transfer Station*		1,722,024	0	(323,679)	1,398,345	0	(333,725)	1,064,620	1,064,620
Onslow Aerodrome Upgrade*		131,568	0	(18,643)	112,915	0	(19,847)	93,068	93,068
Airport Sub-Division*		0	0	0	0	0	0	0	0
<b>Total Borrowings</b>		<b>3,047,104</b>	<b>0</b>	<b>(779,807)</b>	<b>2,267,297</b>	<b>0</b>	<b>(475,420)</b>	<b>1,791,877</b>	<b>1,791,877</b>
* WA Treasury Corporation									
<b>Borrowing Interest Repayments</b>									
Purpose	Note	Function and activity	Loan Number	Institution	Interest Rate	Actual for year ending 30 June 2022		Budget for year ending 30 June 2022	
						\$	\$	\$	\$
Onslow Administration Building*		Other property and services	124	WATC*	3.31%	(19,487)	(19,487)	(20,976)	(20,976)
Staff Housing*		Housing	117	WATC*	5.45%	(7,476)	(7,476)	(11,440)	(11,440)
Staff Housing*		Housing	121	WATC*	5.97%	0	0	(14,451)	(14,451)
Onslow Transfer Station*		Community amenities	122	WATC*	3.08%	(40,519)	(40,519)	(50,565)	(50,565)
Onslow Aerodrome Upgrade*		Transport	119	WATC*	6.36%	(6,871)	(6,871)	(8,075)	(8,075)
<b>Total</b>						<b>(74,353)</b>	<b>(74,353)</b>	<b>(105,507)</b>	<b>(105,507)</b>
<b>Total Interest Repayments</b>	2(b)					<b>(74,353)</b>	<b>(74,353)</b>	<b>(105,507)</b>	<b>(105,507)</b>



## Financial Reports

SHIRE OF ASHBURTON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022

27. BORROWING AND LEASE LIABILITIES (Continued)

(b) New Borrowings - 2021/22

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate %	Amount Borrowed		Amount (Used)		Total Interest & Charges \$	Actual Balance Unspent \$
					2022 Actual \$	2022 Budget \$	2022 Actual \$	2022 Budget \$		
Airport Sub-Division	WATC*	-	-	-	0	5,000,000	0	(5,000,000)	0	0
					0	5,000,000	0	(5,000,000)	0	0

\* WA Treasury Corporation

(c) Lease Liabilities

Purpose	Note	Actual						Budget								
		Principal at 1 July 2020		New Leases During 2020-21		Repayments During 2020-21		Principal at 30 June 2021		New Leases During 2021-22		Repayments During 2021-22		Principal at 30 June 2022		
		\$		\$		\$		\$		\$		\$		\$		
Photocopier Lease	10(b)	0	0	0	0	0	0	201,178	(16,016)	185,162	0	0	0	0	0	0
Total Lease Liabilities		0	0	0	0	0	0	201,178	(16,016)	185,162						
Lease Interest Repayments																
Purpose	Note	Function and activity	Lease Number	Institution	Interest Rate	Actual for year ending 30 June 2022		Budget for year ending 30 June 2022		Lease Term						
Photocopier Lease	2(b)	Other property and services	-	-	28%											
						\$		\$		\$						
Total Interest Repayments						0	(1,616)	0	(1,616)	0	36 months					

SHIRE OF ASHBURTON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022

28. RESERVE ACCOUNTS

Restricted by council

	2022 Opening Balance	2022 Actual Transfer to	2022 Actual Transfer (from)	2022 Closing Balance	2022 Opening Balance	2022 Budget Transfer to	2022 Budget Transfer (from)	2022 Closing Balance	2021 Opening Balance	2021 Actual Transfer to	2021 Actual Transfer (from)	2021 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Leave reserve	0	0	0	0	0	0	0	0	1,105,498	6,555	(1,112,053)	0
(b) Financial Risk Reserve	6,167,012	5,624	(621,752)	5,550,884	6,179,228	48,933	(621,752)	5,606,409	6,588,599	39,068	(460,615)	6,167,012
(c) Future Projects Reserve	21,170,305	3,019,306	(7,702,937)	16,486,674	21,175,894	17,023	(19,179,139)	2,013,778	3,014,040	19,044,085	(887,820)	21,170,305
(d) Housing Reserve	1,832,096	1,671	(1,833,694)	73	1,835,609	14,536	(1,850,145)	0	1,895,016	11,237	(74,157)	1,832,096
(e) Infrastructure Reserve	2,091,533	551,907	(2,107,948)	535,492	2,098,073	16,614	(2,114,687)	0	3,527,615	20,918	(1,457,000)	2,091,533
(f) Joint Venture Housing Reserve	5,065	5	0	5,070	5,257	41	0	5,298	103,382	613	(98,930)	5,065
(g) Onslow Aerodrome Reserve	12,694,049	11,576	(2,888,983)	9,816,642	12,721,211	100,740	(4,661,224)	8,160,727	14,650,167	86,871	(2,042,989)	12,694,049
(h) Onslow Community Infrastructure Reserve	198,990	136	0	199,126	198,077	260	(198,337)	0	197,817	1,173	0	198,990
(i) Plant Replacement Reserve	1,330,334	781,213	(780,814)	1,330,733	1,333,030	790,754	(1,182,000)	941,784	1,453,887	788,621	(912,174)	1,330,334
(j) Property Development Reserve	3,006,502	2,742	0	3,009,244	3,015,672	23,881	(3,039,553)	0	4,945,740	1,929,351	(3,868,589)	3,006,502
(k) RTIO Partnership Reserve	0	0	0	0	0	0	0	0	6,876,292	0	(6,876,292)	0
(l) Tom Price Administration Building Reserve	6,153,161	1,529,911	0	7,683,072	6,164,502	48,816	(2,900,000)	3,313,318	6,116,890	36,271	0	6,153,161
(m) Waste Services Reserve	2,481,529	2,263	(488,500)	1,995,292	2,487,187	19,666	(488,500)	2,018,353	3,052,514	18,101	(589,086)	2,481,529
(n) COVID-19 Relief & Stimulus	827,195	754	(460,417)	367,532	828,906	6,564	0	835,470	921,729	5,466	(100,000)	827,195
(o) Unspent Grants & Contributions	57,957,771	5,907,108	(16,885,045)	46,979,834	58,042,646	1,087,828	(36,235,337)	22,895,137	55,970,646	21,988,590	(20,001,425)	57,957,771

All reserves are supported by cash and cash equivalents and are restricted within equity as Reserves - cash backed.

In accordance with Council resolutions or adopted budget in relation to each reserve account, the purpose for which the reserves are set aside and their anticipated date of use are as follows:

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Leave reserve	Not in use	To contribute towards funding the liability for employee benefits upon their termination.
(b) Financial Risk Reserve	Ongoing	To contribute towards mitigating, or funding, significant financial impacts through legal or other reasons.
(c) Future Projects Reserve	Ongoing	To contribute towards the funding of high-cost, significant projects as identified in long-term plans.
(d) Housing Reserve	Ongoing	To contribute towards the provision for housing to maintain, improve or increase Council's housing portfolio.
(e) Infrastructure Reserve	30/06/2023	To contribute towards funding new and renewal initiatives associated with Council assets and infrastructure.
(f) Joint Venture Housing Reserve	Ongoing	To contribute towards Council's contribution for repairs and maintenance to Join Venture Housing.
(g) Onslow Aerodrome Reserve	Ongoing	To contribute towards operational deficits and improvements and receive operational surpluses for the Onslow Airport.
(h) Onslow Community Infrastructure Reserve	Ongoing	To contribute towards the development of community facilities in Onslow.
(i) Plant Replacement Reserve	Ongoing	To contribute towards the funding of new and replacement plant and machinery.
(j) Property Development Reserve	Ongoing	To contribute towards purchasing, developing and selling property for economic benefit.
(k) RTIO Partnership Reserve	Not in use	To fund projects and programs associated with State and Local Agreements.
(l) Tom Price Administration Building Reserve	30/06/2025	To contribute towards funding a new Council Administration Facility in Tom Price.
(m) Waste Services Reserve	Ongoing	To contribute towards initiatives, upgrade and modifications to Council Waste Facilities.
(n) COVID-19 Relief & Stimulus	Ongoing	To contribute towards support and relief initiatives for those impacted by COVID-19.
(o) Unspent Grants & Contributions	Not in use	To hold grants and contributions (contract liabilities) which remain unspent at the end of the financial year.

## Financial Reports

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**29. TRUST FUNDS**

Funds held at balance date which are required to be held in trust and which are not included in the financial statements are as follows:

	1 July 2021	Amounts Received	Amounts Paid	30 June 2022
	\$	\$	\$	\$
Cash in lieu of public open space	236,655	0	0	236,655
	236,655	0	0	236,655

**SHIRE OF ASHBURTON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

**30. TRADING UNDERTAKINGS**

**Onslow Aerodrome**

The Shire's objective is to maintain a safe landing airstrip and functional airport amenities conducive to the promotion of the district as a tourist and business destination. Ongoing costs are met by landing fees charged. Annual surpluses, as determined by Council, are transferred to a cash backed reserve account to finance future upgrades and modifications to the facility.

Deficits, as determined by Council, are funded by transfers from a cash back reserve account.

<b>(a) Operating Statement</b>	<b>2022 Actual \$</b>	<b>2022 Budget \$</b>	<b>2021 Actual \$</b>
<b>Operating Income</b>			
Landing Fees	621,656	550,000	509,282
Grant and Contributions	10,528	12,300	1,818
Passenger Tax	1,330,034	1,264,100	1,016,726
Parking Revenue	0	2,500	131
Property Rental	114,009	121,800	126,676
Security Screening Charges	757,086	607,700	457,012
Sundry Income	129,454	102,500	115,859
	<b>2,962,767</b>	<b>2,660,900</b>	<b>2,227,504</b>
<b>Operating Expenditure</b>			
Employee Expenses	(575,864)	(496,800)	(377,547)
Operational Expenses	(1,138,375)	(1,443,700)	(1,329,770)
Grounds and Strip Maintenance	(154,581)	(239,400)	(304,804)
Marketing	(7,520)	(31,200)	(9,195)
Other Sundry Expenses	(129,969)	(191,200)	(117,573)
Administration Overheads	(258,773)	(331,200)	(190,395)
Depreciation	(1,183,568)	(1,174,300)	(1,174,414)
	<b>(3,448,650)</b>	<b>(3,907,800)</b>	<b>(3,503,698)</b>
<b>Operating Result</b>	<b>(485,883)</b>	<b>(1,246,900)</b>	<b>(1,276,194)</b>
<b>(a) Non-Operating Income and Expenditure</b>			
<b>Capital Revenue</b>			
Transfer From Cash Reserve	2,888,983	4,661,224	2,042,989
Contributions	0	0	0
Government Grants	0	0	392,652
	<b>2,888,983</b>	<b>4,661,224</b>	<b>2,435,641</b>
<b>Capital Expenditure</b>			
Transfer to Cash Reserve	(11,576)	0	0
Loan Repayments	(27,550)	(26,718)	0
Infrastructure	(3,924,627)	(4,901,000)	(1,331,636)
Buildings	0	(23,000)	(14,925)
Furniture, Equipment and Plant	(61,316)	(122,000)	(491,252)
	<b>(4,025,069)</b>	<b>(5,072,718)</b>	<b>(1,837,813)</b>
<b>Total Net Trading Undertaking</b>	<b>(1,621,970)</b>	<b>(1,658,394)</b>	<b>(678,366)</b>



## Auditor General

### INDEPENDENT AUDITOR'S REPORT 2022 Shire of Ashburton

To the Councillors of the Shire of Ashburton

#### Opinion

I have audited the financial report of the Shire of Ashburton (Shire) which comprises:

- the Statement of Financial Position at 30 June 2022, and the Statement of Comprehensive Income by Nature or Type, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial report:

- is based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the Shire for the year ended 30 June 2022 and its financial position at the end of that period
- is in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

#### Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section below.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Other information

The Chief Executive Officer (CEO) is responsible for preparing and the Council for overseeing, the other information. The other information is the information in the entity's annual report for the year ended 30 June 2022, but not the financial report and my auditor's report.

My opinion on the financial report does not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to the CEO and Council and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

### **Responsibilities of the Chief Executive Officer and Council for the financial report**

The Chief Executive Officer of the Shire is responsible for:

- preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards
- managing internal control as required by the CEO to ensure the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for:

- assessing the Shire's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the Shire.

The Council is responsible for overseeing the Shire's financial reporting process.

### **Auditor's responsibilities for the audit of the financial report**

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial report. The objectives of my audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at [https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf).

### **My independence and quality control relating to the report on the financial report**

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

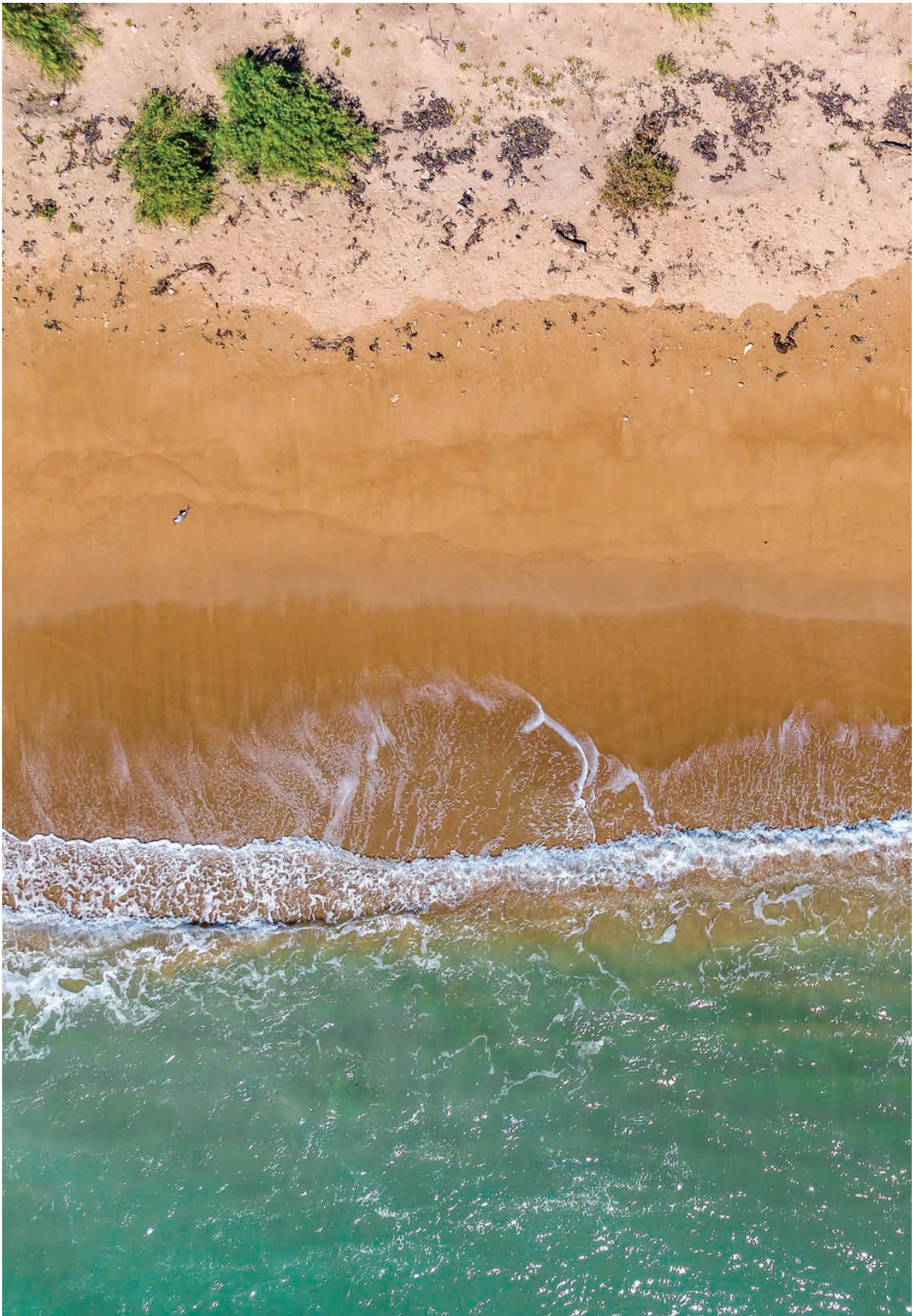
**Matters relating to the electronic publication of the audited financial report**

This auditor's report relates to the financial report of the Shire of Ashburton for the year ended 30 June 2022 included in the annual report on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to contact the Shire to confirm the information contained in the website version.



Grant Robinson  
Assistant Auditor General Financial Audit  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
18 April 2023











Lot 246, Poinciana Street, Tom Price WA 6751  
PO Box 567, Tom Price WA 6751  
**Ph:** (08) 9188 4444  
**E:** [soa@ashburton.wa.gov.au](mailto:soa@ashburton.wa.gov.au)  
**[www.ashburton.wa.gov.au](http://www.ashburton.wa.gov.au)**



# Agenda Item 6.1 - Attachment 2

2021-2022 Audit Report



## Auditor General

### INDEPENDENT AUDITOR'S REPORT 2022 Shire of Ashburton

To the Councillors of the Shire of Ashburton

#### Opinion

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**Matters relating to the electronic publication of the audited financial report**

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Grant Robinson  
Assistant Auditor General Financial Audit  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
18 April 2023



# Agenda Item 6.1 - Attachment 3

2021-2022 Auditors Report





Our Ref: 8238

7th Floor, Albert Facey House  
469 Wellington Street, Perth

Mr Kenn Donohoe  
Chief Executive Officer  
Shire of Ashburton  
PO Box 567  
TOM PRICE WA 6751

**Mail to:** Perth BC  
PO Box 8489  
PERTH WA 6849

**Tel:** 08 6557 7500  
**Email:** [info@audit.wa.gov.au](mailto:info@audit.wa.gov.au)

Email: [kenn.donohoe@ashburton.wa.gov.au](mailto:kenn.donohoe@ashburton.wa.gov.au)

Dear Mr Donohoe

#### **ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2022**

The Office has completed the audit of the annual financial report for your Shire. In accordance with section 7.12AD (2) of the *Local Government Act 1995*, we enclose the Auditor General's auditor's report, together with the audited annual financial report.

We have also forwarded the reports to the President and the Minister for Local Government, as required by the Act. You are required to publish the annual report, including the auditor's report and the audited financial report, on your Shire's official website within 14 days after the annual report has been accepted by your Council.

#### **Management Control Issues**

While the result of the audit was generally satisfactory, I would like to draw your attention to the attached listing of deficiencies in internal control and other matters that were identified during the audit. These matters have been discussed with management and their comments have been included in the attachment.

Please note that the purpose of our audit was to express an opinion on the financial report. The audit included consideration of internal control relevant to the preparation of the financial report in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.

An audit is not designed to identify all internal control deficiencies that may require management attention. The matters being reported are limited to those deficiencies that have been identified during the audit that are of sufficient importance to warrant being reported. It is possible that other irregularities and deficiencies may have occurred and not been identified as a result of our audit.

#### **Unresolved matters from prior audits**

We also draw your attention to the Matters Outstanding from Prior Audits issues set out in the attachment. We would appreciate your attention to these matters before next year's audit.

The date that entities provided their annual financial report to the Office has been recorded for purposes of reporting to Parliament. The date recorded for the receipt of your financial statements was 30 September 2022. The date that the Office has recorded for our receipt of a good and complete set of financial statements was 6 April 2023.

This letter has been provided for the purposes of the Shire and the Minister for Local Government and may not be suitable for other purposes.

I would like to take this opportunity to thank you, the management and the staff of the Shire for their cooperation with the audit team during our audit.

Feel free to contact me on 6557 7675 if you would like to discuss these matters further.

Yours sincerely



Katie MacLachlan  
Assistant Director  
Financial Audit  
18 April 2023

Attach



# Agenda Item 6.1 - Attachment 4

Auditors Report Management Letter A

## ATTACHMENT A

## SHIRE OF ASHBURTON

PERIOD OF AUDIT: 1 JULY 2021 TO 30 JUNE 2022

## FINDINGS IDENTIFIED DURING THE FINANCIAL AUDIT

INDEX OF FINDINGS	RATING		
	Significant	Moderate	Minor
<b>Current year findings</b>			
1. Fair value of Infrastructure, Land and Building assets - Frequency of valuations	✓		
2. Recognition of depreciation of current year fixed assets additions	✓		
3. Fixed asset depreciation rates	✓		
4. Procurement – obtaining quotations		✓	
5. Outstanding employee debts		✓	
6. Review of open purchase orders			✓
<b>Matters outstanding from prior years</b>			
7. AASB 15 and AASB 1058 Revenue Recognition	✓		
8. Payroll controls	✓		
9. General journal review	✓		
10. Review of property values input into SynergySoft	✓		
11. Valuation of provision for landfill	✓		

**KEY TO RATINGS**

The ratings in this management letter are based on the audit team's assessment of risks and concerns with respect to the probability and/or consequence of adverse outcomes if action is not taken. We consider these potential adverse outcomes in the context of both quantitative impact (for example financial loss) and qualitative impact (for example inefficiency, non-compliance, poor service to the public or loss of public confidence).

- Significant** - Those findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly. A significant rating may be reported as a matter of non-compliance in the audit report in the current year, or in a subsequent reporting period if not addressed. However, even if the issue is not likely to impact the audit report, it should be addressed promptly.
- Moderate** - Those findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.
- Minor** - Those findings that are not of primary concern but still warrant action being taken.

## ATTACHMENT A

## SHIRE OF ASHBURTON

PERIOD OF AUDIT: 1 JULY 2021 TO 30 JUNE 2022

## FINDINGS IDENTIFIED DURING THE FINANCIAL AUDIT

## 1. Fair Value of Infrastructure, land and building Assets - Frequency of Valuations

**Finding**

The Shire has not performed an annual assessment since the infrastructure, land and building assets were last revalued to determine whether these asset's reported value represent fair value. Infrastructure assets were last revalued in 2018 where land and buildings were last revalued in 2020.

**Rating: Significant****Implication**

Without a robust assessment of fair value of the Shire's Infrastructure, land and building assets there is a risk that the fair value of these assets may not have been assessed adequately and in compliance with AASB 13 Fair Value Measurement, as well as Regulation 17A(4)(b) of the Local Government (Financial Management) Regulations 1996 (the Regulations).

**Recommendation**

The Shire should consider implementing as part of the preparation of financial statements a formal robust process to determine whether indicators exist annually, that would trigger a requirement to perform a formal revaluation of Infrastructure, land and building assets. Where indicators exist a robust fair value assessment should be performed capturing the requirements of AASB 13 *Fair Value Measurements*. This process is to ensure that the Shire's infrastructure, land and buildings assets are recorded at fair value in compliance with AASB 13 Fair Value Measurement and the Regulations.

This may entail obtaining relevant input from an independent valuer as to whether or not they consider there are any prevailing market factors which may indicate that the fair value of relevant assets is likely to have been impacted to any significant / material extent from the prior year. Where a fair value assessment has been performed internally the Shire may consider having this assessment peer reviewed by an independent valuer to obtain assurance over the valuation methodology applied, inputs and the reasonableness of the valuation model applied.

**Management Comment**

*Revaluations are carried out in accordance with the legislation requirements in place from time to time and adjusted to ensure the fair value of any asset in each class reflects the appropriate carrying amount.*

*In accordance with legislation requirements Infrastructure assets are scheduled for revaluations in the 2023 Financial year.*

*Process to be determined for the AASB 13 fair value measurement to be applied annually for future years*

**Responsible position:** Finance Manager  
**Completion Date:** 30 June 2023

## ATTACHMENT A

## SHIRE OF ASHBURTON

PERIOD OF AUDIT: 1 JULY 2021 TO 30 JUNE 2022

## FINDINGS IDENTIFIED DURING THE FINANCIAL AUDIT

## 2. Recognition of depreciation of current year fixed assets additions

**Finding**

Upon our review of fixed assets register, we noted fixed assets additions amounting to \$27million were not depreciated in the current year.

The error identified has resulted in an understatement of depreciation expenses and the net result for the year by \$538k.

The misstatement which remains unadjusted has been reported in the management representation letter.

**Rating: Significant****Implication**

The absence of timeliness in updating the asset register increases the risk of error and misappropriation of assets. In addition, incorrect date of capitalisation recorded in asset register will result in misstatement of depreciation expenses and asset net book value.

**Recommendation:**

The Shire should review the asset management procedures to ensure timely recording of newly acquired assets and ensure accuracy of records in the asset register based on the underlying acquisition records.

**Management comment**

*An error had occurred with the data entry of assets additions. This resulted in depreciation not being correctly calculated from the actual addition date.*

*End of year process to be reviewed to ensure accuracy of additions and correct depreciation applied.*

**Responsible position:** Manger Finance**Completion date:** 30 June 2023

## ATTACHMENT A

## SHIRE OF ASHBURTON

PERIOD OF AUDIT: 1 JULY 2021 TO 30 JUNE 2022

## FINDINGS IDENTIFIED DURING THE FINANCIAL AUDIT

## 3. Fixed Asset Depreciation Rates

**Finding**

From our testing of depreciation expense, we noted 8 out of 26 sampled assets were not being depreciated in accordance with the depreciation policy for example:

- Rural unsealed roads depreciated over a useful life 10 to 20 years, instead of 12 years.
- Drainage assets were depreciated over a useful life 80 and 100 years, instead of 100 years.
- Urban sealed roads were depreciated over a useful life 70 and 80 years, instead of 40 years.

**Rating Significant****Implication**

Failure to apply the Shire's accounting policy on depreciation rates within the FAR increases the risk of Shire's financial statements being misstated.

**Recommendation**

The Shire should conduct a full review of the FAR to verify that the depreciation rates are consistent with the Shire's depreciation policy. The review should also include an evaluation of the asset's useful life.

**Management Comment**

*A full review of depreciation rates will be conducted in FY23 and will utilise the infrastructure valuation report due by 30 June 2023. This valuation report containing useful life and valuation will form a major part of the depreciation rates assessment.*

**Responsible position:** Manager Finance

**Completion Date:** 30 June 2023



## ATTACHMENT A

## SHIRE OF ASHBURTON

PERIOD OF AUDIT: 1 JULY 2021 TO 30 JUNE 2022

## FINDINGS IDENTIFIED DURING THE FINANCIAL AUDIT

## 4. Procurement – obtaining quotations

**Finding**

During our procurement testing, we identified 6 (30%) instances from a sample of 20 purchases made during the period 1 July 2021 to 30 June 2022, where there was insufficient documentation to indicate that the required number of quotations had been obtained and evaluated.

Section 2 *Purchasing* policy (FIN 12) requires that purchases within prescribed price ranges meet certain conditions that must be met to comply with the *Local Government Act 1995* and accompanying regulations.

**Rating: Moderate****Implication**

If purchases are made without obtaining sufficient quotations, there is an increased risk that the Shire's approach for value for money is not achieved and there is also increased potential for bias in the supplier selecting process.

**Recommendation**

For purchases below the tender threshold, management should ensure that sufficient quotes are obtained and evidenced in accordance with the Shire's purchasing policy and procedures. If instances arise where the City is unable to obtain the required number of quotations, the reasons should be recorded and attached to the purchase order at the time of the purchase being made.

**Management Comment**

*Requirements to adhered to purchase policy to be enforced to staff. Systems to be reviewed to audit purchase orders and address and issues of no-compliance.*

**Responsible Person:** Senior Procurement Officer / Finance Manager  
**Completion Date:** 30 June 2023

## ATTACHMENT A

## SHIRE OF ASHBURTON

PERIOD OF AUDIT: 1 JULY 2021 TO 30 JUNE 2022

## FINDINGS IDENTIFIED DURING THE FINANCIAL AUDIT

## 5. Outstanding Employee debts

## Finding

During our audit we noted several debts due from ex-employees which has been provided for a doubtful debt. The debts pertain to provision of electricity, house rental and relocation expenses and span multiple years.

We noted staff reallocation costs, outstanding at termination should be deducted from the final pay as per the Shire's standard employment contract terms and conditions.

We also noted that the value of debt has increased over the last 3 years.

A summary of the debts written off is provided below:

Debtor No	Name of Debtor	2019/20	2020/21	2021/2022	Description
2186	Chris Jenkins	1,533.15	1,674.41	1,800.82	Staff electricity
2579	Elizabeth Nona	5,780.87	6,370.39	5,827.53	Staff house rental
2761	Gary Maynard	529.28	573.66	620.60	Staff electricity
2757	James Leslie Morgan	750.42	806.75		Staff electricity
2703	Keith Mills	1,679.86	1,818.26	1,955.44	Staff electricity
2779	Owen Meekins	8,336.19	9,015.28	9,695.31	Staff relocation expense
2784	Richard Coates		184.20		Staff electricity
2777	Douglas Bailey			587.61	Staff electricity
2729	# N/ A			87.76	Staff Electricity
2759	Trent Mettam			808.66	Staff electricity
2756	Vicki Franklin			2,201.63	Staff Electricity
	<b>Total staff related debts written off</b>	<b>18,609.77</b>	<b>20,442.95</b>	<b>23,585.36</b>	

**Rating: Moderate**

## Implication

Without an appropriate termination review process in place, there is a risk that Shire deductible costs are not claimed at termination. Also, without regular and timely follow up of outstanding debts, there is an increased risk of amounts becoming uncollectible, which may result in an increase in bad debts.

## Recommendation

The Shire should review the current debt recovery process to ensure timely follow-up of overdue employee debts and developing a payroll deduction form which meets the requirements of the Act and have each employee complete that form.

## Management Comment

*The shire attempts to recover the listed debts have been unsuccessful. Deductions from payroll is not permitted without the employee's authority.*

*Further advice to be sought regarding legal position for employee contracts containing repayment clauses on relocation amounts and if the shire can automatically enforce this provision and deduct from payroll.*

*The Shire has transferred all electricity accounts from the shire to the individual tenants' names, and no longer receives electricity expenses.*

**Responsible position:** Manager Finance  
**Completion Date:** 30 June 2023

## ATTACHMENT A

## SHIRE OF ASHBURTON

PERIOD OF AUDIT: 1 JULY 2021 TO 30 JUNE 2022

## FINDINGS IDENTIFIED DURING THE FINANCIAL AUDIT

## 6. Review of Open Purchase Orders (PO)

**Finding**

As part of our testing of the procurement process, we noted that there were 30 open purchase orders amounting to \$530,442 from FY21 that remain open as at interim audit visit.

**Rating: Minor****Implication**

Where purchase orders remain open for unduly long period of time, it increases the risk of improper or unauthorised expenditure. In addition, potential exists for incorrect disclosure of expenditure commitments in the financial statements.

**Recommendation**

The current process could be enhanced by putting in some specific measures to address the slow response or lack of response from business owners. Some of the examples of the specific measures for the Shire to consider could be:

- a. If a PO is >15 months old and has not had any transaction in the past 6 months, then the PO should be closed by default;
- b. If a PO is >18 months old, then it should be closed by default unless the business provides express request and is approved by the (say) the Director Corporate Services.

Although the individual open PO amounts are not material, the enhancement will ensure all old purchase orders are closed promptly and reduces Shire's resources in continuous follow-up.

**Management comment**

*Open purchase orders are reviewed by the authorising officers in May / June as part of the end of financial year and budget process. This process results in a number of inactive purchase orders being closed, with the theory of only leaving current purchase orders active. Some open purchase orders are in relation to major ongoing project spanning over multiple financial years.*

*Systems to be reviewed to incorporate higher level of review / authorisation and record keeping of purchase orders exceeding acceptable timeframes.*

**Responsible position:** Senior Procurement Officer / Finance Manager  
**Completion date:** 30 June 2023

## ATTACHMENT A

## SHIRE OF ASHBURTON

PERIOD OF AUDIT: 1 JULY 2021 TO 30 JUNE 2022

## FINDINGS IDENTIFIED DURING THE FINANCIAL AUDIT

## Matters outstanding from prior years

## 7. AASB 15 and AASB 1058 Revenue Recognition

**Finding - 2021**

During our final audit, we noted the Shire has incorrectly applied AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* for various revenue transactions, namely grants from government and private corporates, worth \$4.8 million. The errors were addressed during the audit with the necessary adjustments being subsequently recognised by the Shire. The adjustments have resulted in a restatement of prior period numbers in the financial statements.

**Finding Status - 2022**

During our final audit, we noted the Shire has incorrectly applied AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* for one revenue transaction worth \$1.9 million. The error was addressed during the audit with the necessary adjustments being subsequently recognised by the Shire.

**Rating: Significant** (2021: Significant)

**Implication:**

Incorrect application of accounting standards may cause the Shire's financial statements to be misstated.

**Recommendation**

The Shire should review its interpretation and application of AASB 15 and AASB 1058 for grant revenue and amend its accounting treatment accordingly.

**Management Comment**

*End of year processes have been amended to include assessment of AASB15 and AASB 1058.*

*An error was found in the worksheet calculating the Shire's contract liability. This was identified and \$429K corrected.*

*An error was made reversing a \$1.5M transfer to contract liability for the Seawall funding. This was identified and the transfer reinstated.*

<b>Responsible position:</b>	Manager Finance
<b>Completion Date:</b>	Complete

**ATTACHMENT A****SHIRE OF ASHBURTON****PERIOD OF AUDIT: 1 JULY 2021 TO 30 JUNE 2022****FINDINGS IDENTIFIED DURING THE FINANCIAL AUDIT****8. Payroll controls****Finding - 2021**

During testing of over payroll cycle, we noted the following exceptions.

- No evidence of review of payroll exception reports;
- 1 instance out of 20 sampled no secondary evidence of review of employee termination acknowledgement;
- 1 instance out of 8 sampled, where no formal email notification was sent out for employee termination;
- 1 instance out of 20 sampled staff members can approve their own timesheets;
- 5 instances out of 8 sampled, with no secondary review of new employee details correctly uploaded into payroll system;
- 1 instance out of 20 sampled, where timesheet was not available.

**Finding Status - 2022**

During testing of over payroll cycle, we noted the following exceptions.

- No evidence of review of payroll exception reports;
- 1 instance out of 41 sampled, overpayment due to incorrect overtime hours
- 6 instances out of 8 sampled, with no secondary review of employee bank details correctly uploaded into payroll system;
- 2 instance out of 8 sampled, where no formal resignation and no notification of resignation was sent out for employee termination;

**Rating: Significant** (2021: Significant)

**Implication**

Without an appropriate review process in place, there is a risk that that errors in employee payments may go undetected.

**Recommendation:**

We recommend the Shire to:

- Ensure that evidence of changes to the employee master file data are matched to the audit trail report as part of an independent review process;
- Ensure that officers with a role to independently review changes in master file data do not also have the ability to modify master file data;
- Implement a procedure to produce audit trail reports from SynergySoft, which are independently reviewed by an independent officer; and
- Consideration be given to developing appropriate segregation of duties around payroll processes.

## ATTACHMENT A

## SHIRE OF ASHBURTON

PERIOD OF AUDIT: 1 JULY 2021 TO 30 JUNE 2022

## FINDINGS IDENTIFIED DURING THE FINANCIAL AUDIT

**Management Comment**

*A number of increase control measures have been implemented as part of the payroll review process, including the action of independent reviews of amendments to payroll Masterfile data.*

*A Review of payroll processes and procedure to be reviewed and documented, including addressing the matters raised*

**Responsible position:** Manager Finance  
**Completion Date:** 31 December 2023

## ATTACHMENT A

## SHIRE OF ASHBURTON

PERIOD OF AUDIT: 1 JULY 2021 TO 30 JUNE 2022

## FINDINGS IDENTIFIED DURING THE FINANCIAL AUDIT

## 9. General journal review

**Finding - 2021**

As part of our testing around manual journal entries during the year, we noted several instances where the Finance Manager would raise journals with no subsequent review process by an independent person.

**Findings Status - 2022**

As part of our testing around manual journal entries during the year, we noted that 2 instances out of 20 sampled, the Finance Manager would raise journal with no subsequent review process by an independent person.

**Rating: Significant** (2021: Significant)

**Implication**

Without an independent review process there is an increased risk that manual journals may be posted that are erroneous or fraudulent and go undetected by management.

**Recommendation**

We recommend that all manual journals raised undergo independent review from a staff member different from the one who raised the journal.

**Management Comment**

*Since receiving the management report findings for FY2021 regarding general journal review, all journals are reviewed by independent staff member.*

**Responsible position:** Manager Finance  
**Completion Date:** Complete



## ATTACHMENT A

## SHIRE OF ASHBURTON

PERIOD OF AUDIT: 1 JULY 2021 TO 30 JUNE 2022

## FINDINGS IDENTIFIED DURING THE FINANCIAL AUDIT

## 10. Review of property values input into SynergySoft

## Finding Status - 2022

The below finding remains outstanding.

## Finding - 2021

As part of our analytical procedures conducted for rates, we noted a variance in property rateable values between the SynergySoft and Landgate report.

We noted there was no evidence of an independent review to ensure property values received from Landgate had been entered correctly and without omission in SynergySoft. Rates are calculated, in part by referring to the property values stored in SynergySoft.

The exception noted did not have a material effect to the financial statements.

**Rating: Significant** (2021: Moderate)

## Implication

Failure to perform an independent review of the revised Landgate valuation reports, increases the risk of inaccuracies in both the interim rates notices and the rates revenue recognised in the financial statements. Monthly financial information used by management or Council may not be accurate which could impact Council decisions.

## Recommendation

The Shire should implement an independent review system, to ensure all Landgate valuations are correctly entered into the SynergySoft. This will ensure Landgate valuation reports always reconcile with SynergySoft.

## Management Comment

*Workflow practices to be amended to include an independent reviewer and frequent balance to documents provided by Landgate.*

**Responsible Person:** Manager Finance  
**Completion Date:** 30 June 2023

## ATTACHMENT A

## SHIRE OF ASHBURTON

PERIOD OF AUDIT: 1 JULY 2021 TO 30 JUNE 2022

## FINDINGS IDENTIFIED DURING THE FINANCIAL AUDIT

## 11. Valuation of Provision for Landfill

**Finding - 2021**

During the year-end audit testing, we identified Tom Price and Paraburdoo waste disposal site held a class 2/3 license which requires management to recognise a provision and a corresponding asset.

Management engaged Talis an independent valuer in May 2017 to undertake a detailed financial review of all sites managed by the Shire. Management failed to recognise the provision of rehabilitation in the financial statements and only brought the Talis review to the auditors' attention in the current financial year.

A rehabilitation liability and a corresponding asset of \$4.9 million was recorded during FY21 by restating the prior year accounts. We understand that management has engaged an independent valuer to revisit the rehabilitation provision assessment with changes expected to be reflected in FY22.

**Finding Status - 2022**

The external waste management plan used in the provision of landfill computation for Tom Price and Paraburdoo for was generated in 2017.

The Shire has not performed an assessment to determine if the cost and scope to remediate landfill sites are still appropriate since the last external waste management plan was developed back in 2017.

**Rating: Significant** (2021: Significant)

**Implication**

The valuation data and assumption used may be outdated which increases the risk of misstatement to the provision and landfill asset amounts in the financial statements.

**Recommendation**

The Shire should assess the assumptions used in its valuation model to ensure cost and scope of its obligation to rehabilitate and remediate landfill sites have not significantly changed annually to comply with AASB 137.59. Where there have been significant changes to the cost and scope identified, an updated external waste management plan and projected cost estimates should be obtained.

**Management comment:**

*The shire is currently obtaining an updated waste management plan, which will include updated calculations, using current values and practices for waste rehabilitation. The waste rehabilitation provision currently disclosed will be reassessed using the updated figures.*

**Responsible position:** Manager Waste Services  
**Completion date:** 30 June 2023



# Agenda Item 6.1 - Attachment 5

Auditors Report Management Letter B

## ATTACHMENT B

## SHIRE OF ASHBURTON

PERIOD OF AUDIT: 1 JULY 2021 TO 30 JUNE 2022

## FINDINGS IDENTIFIED DURING THE ITGC AUDIT

Index of findings	Rating		
	Significant	Moderate	Minor
<b>Current year findings</b>			
1. Risk management		✓	
2. Human resources employee list		✓	
3. Business continuity management		✓	
<b>Matters outstanding from prior years</b>			
4. Network access management	✓		
5. Synergysoft financial application – access management	✓		
6. IT Governance – policies and procedures		✓	
7. Network security management		✓	
8. Change management		✓	
9. Physical security management		✓	

**Key to ratings**

The Ratings in this management letter are based on the audit team's assessment of risks and concerns with respect to the probability and/or consequence of adverse outcomes if action is not taken. We give consideration to these potential adverse outcomes in the context of both quantitative impact (for example financial loss) and qualitative impact (for example inefficiency, non-compliance, poor service to the public or loss of public confidence).

- Significant** - Those findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly. A significant rating could indicate the need for a modified audit opinion in the current year, or in a subsequent reporting period if not addressed. However even if the issue is not likely to impact the audit opinion, it should be addressed promptly.
- Moderate** - Those findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.
- Minor** - Those findings that are not of primary concern but still warrant action being taken.

## ATTACHMENT B

## SHIRE OF ASHBURTON

PERIOD OF AUDIT: 1 JULY 2021 TO 30 JUNE 2022

## FINDINGS IDENTIFIED DURING THE ITGC AUDIT

## 1. Risk management

**Finding**

The Shire does not have an IT Risk Management Policy or procedure in place to manage IT related risks within their environment.

Additionally, there is no risk register to track known/identified IT risks and their compensating controls.

**Rating: Moderate****Implication**

Without effective IT risk management policies and procedures in place, there is an increased risk that the Shire will not be able to identify and address key risks affecting the IT environment.

**Recommendation**

The Shire should:

- Define, document, and implement an IT risk management policy and/or procedure
- Create an IT risk register and use it to track/manage newly identified and existing risks. It should also detail their mitigating controls and resolution status.

**Management comment**

*A recent internal audit has identified the requirement for the review and development of several plans, including Cybersecurity Framework.*

*Recommendations have been incorporated into the reviewed Cybersecurity Framework including assessment of Risk. The document is in its final review to ensure it meets all applicable standards, best practices and matters raised within the audit process*

*Operating procedures to be developed and aligned to the frameworks and include workflow and record keeping requirements for*

*An internal audit road map 2023-2026 has been developed and includes implementing Risk Management Framework ISO 31000, including develop / update operational risk registers. This will include IT Risk Management.*

**Responsible person:**

ICT Specialise, Manager Governance, Internal Auditor

**Completion date:**

30 June 2024

## ATTACHMENT B

## SHIRE OF ASHBURTON

PERIOD OF AUDIT: 1 JULY 2021 TO 30 JUNE 2022

## FINDINGS IDENTIFIED DURING THE ITGC AUDIT

## 2. Human resources employee list

**Finding**

The ability for IT to request and obtain a list of all Shire employees is required to ensure IT can perform user access reviews and ensure only current employee have access to IT assets and networks.

On enquiry with management, we were informed that the Human Resources Department were unable to provide a full list of all individuals employed by the Shire.

**Rating: Moderate****Implication**

Without the ability to obtain a full HR list of current employees the Shire is at risk of not being able to audit their current staff and ensure the appropriate access to their systems and infrastructure.

**Recommendation**

The Shire should investigate HR's inability to provide a full employee list and implement an appropriate solution to track who is employed at the Shire.

**Management comment**

*Human Resource systems to be investigated for Organisation Development department to be able to maintain an up-to-date employee listing. Processes and procedures to be development to audit against payroll and IT listings data.*

**Responsible person:**

Adele Heraty, Manager Organisational Development

**Completion date:**

31 December 2023

**ATTACHMENT B****SHIRE OF ASHBURTON****PERIOD OF AUDIT: 1 JULY 2021 TO 30 JUNE 2022****FINDINGS IDENTIFIED DURING THE ITGC AUDIT****3. Business continuity management****Finding**

With appropriate continuity arrangements, the Shire increases its likelihood of effectively recovering critical services in line with business requirements, without affecting its key operations and business functions to its internal and external clients.

We identified the following deficiencies with the Shire's management of Business Continuity:

- There is no documented backup policy to govern backups and restorations performed within the Shire's environment
- The Shire does not have an IT Business Continuity Plan in place
- The Shire does not have a documented Disaster Recovery Plan
- There is no formal incident response plan or process. Incidents are identified and address on a case-by-case basis.

**Rating: Moderate****Implication**

Without appropriate continuity arrangements, the Shire may not be able to recover critical services in a timely manner, in line with business requirements. This could affect the Shire in providing key operations and business functions.

**Recommendation**

The Shire should:

- Define, document and publish a backup policy
- Develop, document, test and publish a Disaster Recovery Plan and IT Business Continuity Plan
- Develop, document and publish an Incident Response Plan.
- Periodically review the above mentioned plans to ensure that they are relevant and adequate to support the Shire's operations.

**Management comment**

*A recent internal audit has identified the requirement for the review and development of several plans including.*

- *Business Continuity Management Arrangements*
- *ICT Disaster recovery Plan*
- *Cybersecurity Framework.*

*The Shire has made a commitment to review and develop the above-mentioned documents, incorporating the required standards as well as developing and documenting processes and procedures.*

**ATTACHMENT B****SHIRE OF ASHBURTON****PERIOD OF AUDIT: 1 JULY 2021 TO 30 JUNE 2022****FINDINGS IDENTIFIED DURING THE ITGC AUDIT**

*The Cybersecurity Framework document has been prepared and is in its final review to ensure it meets all applicable standards, best practices and matters raised within the audit process.*

*Business Continuity Plans and ICT disaster recovery plan is scheduled to commence development shortly.*

**Responsible person:** ICT Specialise, Manager Governance  
**Completion date:** 30 September 2023



**ATTACHMENT B****SHIRE OF ASHBURTON****PERIOD OF AUDIT: 1 JULY 2021 TO 30 JUNE 2022****FINDINGS IDENTIFIED DURING THE ITGC AUDIT****Matters outstanding from prior years****4. Network access management****2022 Status**

The 2021 finding remains unresolved.

We identified the following issues with the management of the Shire's network access:

- The Shire does not have a formal network user access management policy or procedure to manage user access (i.e., new user provisioning, de-provisioning and management of generic user accounts)
- 6 out of 270 Active Directory (AD) accounts are shared generic accounts used by multiple staff
- 2 out of 270 active AD accounts were identified by management as not required and have been flagged for deletion
- The Shire could not provide evidence of a user access review taking place within the audit period.

Further, we sampled 10 new network users created within the audit period to verify the appropriate onboarding process was followed. We identified that:

- Evidence could not be provided for 3 out of the 10 selected samples to verify the appropriate onboarding process was followed.
- The evidence provided for 5 out of the 10 selected samples did not show who requested and approved the account creation.

**2021 Finding**

Appropriate network user access management controls in place mitigate the risk of inappropriate or unauthorised access to the Shire's IT systems and/or information.

During our audit, we identified the following issues with access management within the Shire's network:

- The Shire does not have a formal network user access management (including generic and privileged) accounts policy or procedure in place to manage user access (i.e., new user provisioning, de-provisioning and management of generic user accounts)
- 128 out of 260 generic accounts did not have any description and identity associated with it. We could not verify if these accounts are appropriate
- 21 out of 260 generic accounts were identified as not in use and were confirmed to be no longer required
- 33 out of 475 user accounts were identified as duplicates with the same display name
- 29 out of 475 user accounts did not log into the network in the last 6 months
- 3 out of 29 privilege access accounts (21 service accounts) were identified as redundant and should have been disabled

**ATTACHMENT B****SHIRE OF ASHBURTON****PERIOD OF AUDIT: 1 JULY 2021 TO 30 JUNE 2022****FINDINGS IDENTIFIED DURING THE ITGC AUDIT**

- 3 out of 475 active user accounts belong to terminated employees. We noted that 1 of these users logged into the network after their termination date
- 1 out of 5 user new user account was created in network before appropriate approval.

Further, we identified that user access reviews are performed on ad hoc basis and evidence of reviews performed was not maintained. We could not verify if user access reviews were performed in the audit period.

**Rating: Moderate (2021: Significant)****Implication**

Without appropriate user access management controls in place there is an increased risk of inappropriate or unauthorised access to the Shire's IT systems and/or information. This could impact the confidentiality, integrity, and availability of information.

**Recommendation**

The Shire should:

- Develop, document, and implement access management policies / procedures that should include:
  - Onboarding & offboarding of users, including privileged and generic accounts
  - Privileged and generic account management
  - Deactivate inactive/dormant accounts
- Ensure all new users provisioned are adequately documented including the requestor and approver
- Remove all shared generic account and allocate users with a personal named account
- Perform regular user access reviews to ensure active accounts which are no longer required are removed. Evidence of the user access reviews should be retained for audit purposes.

**Management comment**

*A recent internal audit has identified the requirement for the review and development of several plans, including Cybersecurity Framework.*

*Recommendations have been incorporated into the reviewed Cybersecurity Framework including access management principals. The document is in its final review to ensure it meets all applicable standards, best practices and matters raised within the audit process*

*Operating procedures to be developed and aligned to the frameworks and include workflow and record keeping requirements for new, terminated and change in user accounts.*

**Responsible person:** ICT Specialist  
**Completion date:** 30 September 2023

**ATTACHMENT B****SHIRE OF ASHBURTON****PERIOD OF AUDIT: 1 JULY 2021 TO 30 JUNE 2022****FINDINGS IDENTIFIED DURING THE ITGC AUDIT****5. SynergySoft financial application - access management****2022 Status**

The 2021 finding remains unresolved.

We identified the following deficiencies with Access management of the Shire's financial application, SynergySoft:

- The Shire does not have a formal application user access policy / procedure in place to manage user access (i.e. provisioning, de-provisioning and management of generic user accounts)
- 2 out of 11 privileged user accounts belong to staff from Finance and Corporate Services
- 12 out of 19 generic SynergySoft accounts were identified by management as not required and have been flagged for deletion
- The Shire could not provide evidence of a user access review taking place within the audit period.

Further, we sampled 5 new financial application users created within the audit period to verify the appropriate onboarding process was followed. We identified that:

- Evidence could not be provided for 1 out of the 5 selected samples to verify the appropriate onboarding process was followed.
- The evidence provided for 3 out of the 5 selected samples did not show who requested and approved the account creation.

**2021 Finding**

Appropriate application of the Shire's processes for application user access management helps to prevent inappropriate or unauthorised access to the Shire's IT systems and/or information.

During our audit, we identified the following issues with the management of user access for the SynergySoft financial application:

- The Shire does not have a formal application user access policy / procedure in place to manage user access (i.e. provisioning, de-provisioning and management of generic user accounts)
- 1 out of 203 active user accounts belong to terminated employees
- No process is defined to maintain segregation of duties (SoD) within the SynergySoft application, including a security matrix that provides visibility of roles assigned to each user with object level access to the application
- 1 out of 5 new user account access requests were not recorded. We could not ascertain if access was appropriately approved or provisioned.

**Rating: Significant (2021: Moderate)**

**Implication**

Without effective user access management processes in place, there is an increased risk of unauthorised access to the SynergySoft application. This could impact the confidentiality, integrity, and availability of the Shire's information.

**ATTACHMENT B****SHIRE OF ASHBURTON****PERIOD OF AUDIT: 1 JULY 2021 TO 30 JUNE 2022****FINDINGS IDENTIFIED DURING THE ITGC AUDIT****Recommendation**

The Shire should:

- Document, review, approve and implement an access management policy that should include:
  - Onboarding & offboarding of users, including privileged and generic accounts
  - Generic account management
  - User access review requirements
- Ensure all new users provisioned are adequately documented including the requestor and approver
- Restrict privileged access to the IT personnel to ensure there are no segregations of duties issues
- Perform regular user access reviews to ensure active accounts which are no longer required are removed. Evidence of the user access reviews should be retained for audit purposes.

**Management comment**

*A recent internal audit has identified the requirement for the review and development of several plans, including Cybersecurity Framework.*

*Recommendations have been incorporated into the reviewed Cybersecurity Framework including access management principles for SynergySoft. The document is in its final review to ensure it meets all applicable standards, best practices and matters raised within the audit process*

*Operating procedures to be developed and aligned to the frameworks.*

**Responsible person:** ICT Specialist  
**Completion date:** 30 September 2023

**ATTACHMENT B****SHIRE OF ASHBURTON****PERIOD OF AUDIT: 1 JULY 2021 TO 30 JUNE 2022****FINDINGS IDENTIFIED DURING THE ITGC AUDIT****6. IT governance - policies and procedures****2022 Status**

The 2021 finding remain unresolved.

During our audit we identified that the Shire's ICT Directive (CS024) and IT Acceptable Use Policy were last reviewed in 2016.

Additionally, the Shire does not maintain an Information Security Policy and the ICT Strategic framework does not contain any evidence of management endorsement.

**2021 Finding**

Formally endorsed and up to date policies / procedures / guidelines / governance documents help staff to support management expectations and governance structures of the Shire.

We identified that there are no formal policies / procedures / guidelines / governance documents defined for the following key IT functional areas or processes:

- IT Risk Management
- Business Continuity Plan
- Disaster Recovery Plan

Further, we identified that the IT Acceptable Use policy have not been reviewed in accordance with their stated scheduled review date. It was noted that the policy was last reviewed in 2016. Also, the ICT strategic framework has not been endorsed by management.

**Rating: Moderate (2021: Moderate)**

**Implication**

There is a risk that outdated IT policies, procedures and guideline documents may not support the needs of the Shire and staff may not be fulfilling management expectations.

Without appropriate and defined IT governance structures and processes the Shire may not be able to:

- Effectively align IT with business strategies, increasing the risk of sub-optimal achievement in relation to business plans and initiatives
- Efficiently manage, monitor, and ensure effective outsourced IT systems requirements, functionality, and availability.

**Recommendation**

The Shire should:

- Review and update the ICT Directive (CS024) and IT Acceptable Use policy, ensuring to document the review date and next scheduled review
- Develop, document, endorse and publish an Information Security Policy
- Document the management endorsement within the ICT Strategic plan.

**ATTACHMENT B****SHIRE OF ASHBURTON****PERIOD OF AUDIT: 1 JULY 2021 TO 30 JUNE 2022****FINDINGS IDENTIFIED DURING THE ITGC AUDIT****Management comment**

*A recent internal audit has identified the requirement for the review and development of several plans including.*

- *Business Continuity Management Arrangements*
- *ICT Disaster recovery Plan*
- *Cybersecurity Framework.*

*The Shire has made a commitment to review and develop the above-mentioned documents, incorporating the required standards as well as developing and documenting processes and procedures.*

*The Cybersecurity Framework document has been prepared and is in its final review to ensure it meets all applicable standards, best practices and matters raised within the audit process.*

*Once endorsed, policy, procedures and directives will be updated to align with new framework.*

*Business Continuity Plans and ICT disaster recovery plan is scheduled to commence development shortly.*

**Responsible person:** ICT Specialise, Manager Governance  
**Completion date:** 30 September 2023

**ATTACHMENT B****SHIRE OF ASHBURTON****PERIOD OF AUDIT: 1 JULY 2021 TO 30 JUNE 2022****FINDINGS IDENTIFIED DURING THE ITGC AUDIT****7. Network security management****2022 Status**

The 2021 finding remains unresolved.

The following deficiencies were identified regarding the Shire's management of network security:

- There is no defined process to perform vulnerability assessments
- Firewall event logs are not regularly reviewed.
- There is no formal process to periodically review firewall rules.
- The Shire's Network Diagram does not contain a record of when the last review was performed, or when the next review is scheduled. Audit were unable to verify that the network diagram is accurate and up to date.

**2021 Finding**

Effective security management policy and procedures assist the Shire in maintaining an effective cyber security position.

During our audit, we identified the following issues with the management of the Shire's network security:

- There is no defined process to perform vulnerability assessments
- There is no defined process to perform security (i.e. penetration) testing.
- Firewall event logs are not regularly reviewed.

**Rating: Moderate (2021: Moderate)**

**Implication**

Without effective and up to date security management policies, processes and procedures in place, there is an increased risk that the Shire will not be able to maintain an effective and secure cyber security posture. This could lead to potential cyber breaches, downtime, loss or exposure of critical systems or information.

**Recommendation**

The Shire should:

- Investigate and implement an appropriate vulnerability assessment process and periodically perform vulnerability assessments within the ICT environment
- Implement a process to periodically review the firewall event logs to identify any suspicious behaviour and to validate firewall rules to ensure they are appropriate and required
- Document the last review date and next scheduled review date of the Network Diagram.

**Management comment**

*A recent internal audit has identified the requirement for the review and development of the Shire's Cybersecurity Framework and supporting operating procedures that align with the WA Government Cybersecurity Policy and the Australia Government Information Security Manual.*

**ATTACHMENT B****SHIRE OF ASHBURTON****PERIOD OF AUDIT: 1 JULY 2021 TO 30 JUNE 2022****FINDINGS IDENTIFIED DURING THE ITGC AUDIT**

*The Cybersecurity Framework document has been prepared and is in its final review to ensure it meets all applicable standards, best practices and matters raised within the audit process.*

*The framework incorporates risk assessments, monitoring, testing, and reporting requirements. Once endorsed, policy, procedures and directives will be updated to align with new framework.*

**Responsible person:** ICT Specialist  
**Completion date:** 30 September 2023



## ATTACHMENT B

## SHIRE OF ASHBURTON

PERIOD OF AUDIT: 1 JULY 2021 TO 30 JUNE 2022

## FINDINGS IDENTIFIED DURING THE ITGC AUDIT

## 8. Change management

## 2022 Status

The 2021 finding remains unresolved.

## 2021 Finding

An effective change management process can ensure the Shire include guidance on how to effectively backout from unsuccessful IT system changes as well as other key change management plans and tests, helping the Shire to manage its risk of experiencing unplanned downtime or loss of information.

During our audit, we identified that following issues with the management of changes implemented to network and financial application:

- The Shire does not have a formal defined change management process/policy/procedure to manage the changes implemented to the network or the financial application
- Changes implemented to the network and financial application are not logged and recorded
- Evidence of change approval and testing is not captured or retained.

We acknowledge that changes to the financial application are implemented by third party vendor, however the Shire does not have an oversight of changes implemented.

**Rating: Moderate (2021: Moderate)**

## Implication

There is a risk that without formalised change control procedures, changes made to IT systems may not be adequately tested, recorded, and authorised. The availability or security of IT systems could be compromised should a change negatively impact them.

## Recommendation

The Shire should:

- Develop, document and publish a change management process / policy
- Log all changes within a change register ensuring they are appropriately approved and tested prior.

## Management comment

*The Cybersecurity Framework document has been prepared and is in its final review to ensure it meets all applicable standards, best practices and matters raised within the audit process.*

*The framework incorporates risk assessments, approvals, monitoring, testing and reporting requirements.*

*Once endorsed, policy, procedures and directives will be updated to align with new framework.*

**Responsible person:**

ICT Specialist

**Completion date:**

30 September 2023

**ATTACHMENT B****SHIRE OF ASHBURTON****PERIOD OF AUDIT: 1 JULY 2021 TO 30 JUNE 2022****FINDINGS IDENTIFIED DURING THE ITGC AUDIT****9. Physical security management****2022 Status**

The 2021 finding remains unresolved.

We identified the following deficiencies with the Shires Physical Security and Environmental Management:

- The Shire does not have a documented and approved datacentre policy / procedure to outline physical and environmental requirements
- No process is defined to record or log access to the datacentre. Further, access to datacentre is not appropriately restricted. We noted that non-IT staff (finance and records staff) also have access to datacentre
- Datacentre contains potential fire hazards. It was noted that the datacentre room is used as storage for petty cash and records
- Fire alarm pull boxes are not installed
- No operator logbook is maintained to record any significant events/incidents in the Data Centre and corrective action taken by the operator
- There is no defined process for granting access to the datacentre
- The datacentre door is secured by a physical pin code door, there is no process for periodically changing the pin code. Additionally, the same pin is used by all staff to enter the datacentre
- Fire training or drills have not been performed within the audit period.

**2021 Finding**

Appropriate controls to manage physical and environmental controls, reduce the risk of inappropriate / unauthorised access and potential failure of critical hardware to support the Shire's key infrastructure and systems.

During our audit, we identified the following issues with the management of the Shire's datacentre:

- The Shire does not have a documented and approved datacentre policy / procedure to outline physical and environmental requirements
- No process is defined to record or log access to the datacentre. Further, access to datacentre is not appropriately restricted. We noted that non-IT staff (finance and records staff) also have access to datacentre
- Datacentre contains potential fire hazards. It was noted that the datacentre room is used as storage for petty cash and records
- Fire alarm pull boxes are not installed
- No operator logbook is maintained to record any significant events/incidents in the Data Centre and corrective action taken by the operator.

## ATTACHMENT B

## SHIRE OF ASHBURTON

PERIOD OF AUDIT: 1 JULY 2021 TO 30 JUNE 2022

## FINDINGS IDENTIFIED DURING THE ITGC AUDIT

**Rating: Moderate (2021: Moderate)****Implication**

Without appropriate controls in place to manage physical controls, there is an increased risk of inappropriate, unauthorised access to critical infrastructure. This could impact the confidentiality, integrity, and availability of the Shire's information.

**Recommendation**

The Shire should:

- Define and document a datacentre access policy / procedure which includes the requirements to periodically perform access reviews to ensure staff are only allowed access to the datacentre based on business needs
- Implement and document a process for provisioning and deprovisioning access to the datacentre ensuring the appropriate approvals have been obtained prior to access being granted
- Investigate and implement appropriate physical security measures to protect against unauthorised access and modification, such as personalised door pin and access logs
- Remove potentially flammable materials from the datacentre and investigate and implement fire training drill on a regular basis
- Document and maintain a datacentre operator logbook to record any significant events/incidents in the datacentre and corrective action taken to solve issues.

**Management comment**

*The physical security of key assets (including server rooms) has been identified as a finding with a recent Cybersecurity audit.*

*Recommendations have been incorporated into the reviewed Cybersecurity Framework including monitoring and reporting of approved security measures. The document is in its final review to ensure it meets all applicable standards, best practices and matters raised within the audit process*

*Once endorsed, policy, procedures and directives will be updated to align with new framework.*

**Responsible person:** ICT Specialist  
**Completion date:** 30 September 2023



# Agenda Item 6.3 - Attachment 1

2020 Regulation 17 Review Status Update

## Progress at 30 April 2023

Significant Risk	Moderate Risk	Minor Risk	Completed
1	2	2	6

Ref	Issue	Risk Rating	Officer	Officer Action	Timeframe	Progress
<b>Risk management</b>						
2.3.1	<b>Risk Register</b> The Shire's risk register was last updated in April 2019, however has not subsequently been reviewed or updated.	Significant	Director Corporate Services	Organisation risk training and development of organisational risk register to be undertaken with Council's insurer LGIS.	June 2021	LGIS held staff workshops in July 2022. The Shire is currently finalising the review of the Risk Management Framework prior to commencing the review and update of the risk register.
2.3.2	<b>Tendering</b> No formal risk assessment process conducted prior to tendering, no formal post tender/project reviews; and tender opening of submission for RFT 06.19 was only undertaken by one person, as opposed to Shire guideline requiring two people.	Significant	Director Projects and Procurement	RFT 06.19 tender opening was witnessed by two Shire staff. This information was provided to the auditor, however appears not to have been assessed at the time of the audit.	No Action Required	Complete
2.3.3	<b>Contract Management</b> No Contract Manager in place to oversee overall contract risk at an organisational level.	Moderate	Director Infrastructure	A Senior Manager (Manager Civil Works) is in the process of being appointed to ensure that Civil Works Contracts are scoped, specified, tendered and managed in a way which reflects relevant standards and industry best practice. Process still to be developed.	30 June 2021	Manager Roads and Civil Projects commenced November 2022. Contract Management Directive and supporting procedures are currently being drafted.

Ref	Issue	Risk Rating	Officer	Officer Action	Timeframe	Progress
2.3.4	<b>Risk Management Policies and Procedures</b> No documented policies and procedures in place in respect to events management. We also identified one procedure and 3 plans which are potentially outdated and may require review.	<b>Moderate</b>	Director Communities / Manager Community Services	A review of the Event Process and Procedures has been commenced currently headed by Development Services. A/Director Community Services is currently scoping the development of a new "Event Coordinator" role to be lead on whole of shire event processes and management.	<b>March 2021</b>	An Event Management Process has been developed and implemented. The Inland Local Recovery Plan has been superseded by the Shire of Ashburton Local Recovery Plan 2021. The Bushfire Management Plan was updated in 2019 and is currently under review. The review of the Public Interest Procedure and Business Continuity Plan have not commenced.
<b>Internal controls</b>						
3.3.1	<b>Non-compliance with Local Government Act</b> October and December 2019 Monthly Statements of Financial Activity were not presented to Council.	<b>Significant</b>	Manager Finance	Each monthly report is now presented according to the Regulations.	<b>Complete</b>	<b>Complete</b>
3.3.2	<b>Fuel Card/Fuel Usage</b> The Shire does not have a fuel cardholder register, or fuel usage policy in place. In addition, Shire Vehicle fuel usage is currently not monitored, via a GPS navigational system or by other means.	<b>Moderate</b>	Manager Fleet	Development and implementation of register to identify <ul style="list-style-type: none"> <li>consumption figures</li> <li>vehicle/plant capacity</li> <li>monitor km's/plant hours</li> </ul> Fuel cardholder register is now linked to the FBT staff register Monthly reporting by fleet department. Identified need for review of policy EMP08 for private use capping. Identified need for policy that provides authorisation and responsibility for use of fuel cards.	<b>Ongoing To be reviewed 2020/21</b>	A Register has been implemented and is regularly maintained. EMP08 is currently under review and a new Directive has been drafted for the use of fuel cards.
3.3.3	<b>Independent Review</b> Fixed asset end of month reconciliations not evidenced to indicate subject to independent review.	<b>Minor</b>	Manager Finance	All reconciliations are now independently reviewed.	<b>Complete</b>	<b>Complete</b>
3.3.4	<b>Non-compliance with Purchasing Policy</b> Two instances whereby purchase orders were dated after the invoice date.	<b>Minor</b>	Director Projects and Procurement	<b>FIN 12</b> policy reviewed and included breaches/non-compliance within purchasing.	<b>Complete</b>	<b>Complete</b>

Ref	Issue	Risk Rating	Officer	Officer Action	Timeframe	Progress
3.3.5	<b>Directive Information and Communications Technology Policy</b> Directive Information and Communications Technology Policy may require review.	Minor	ICT Specialist	<ul style="list-style-type: none"> <li>Directive has been amended to include framework for non compliance.</li> <li>This Directive will be linked to new Code of Conduct to be developed after amendments to the Local Government Act</li> </ul>	Complete	Complete
<b>Legislative compliance</b>						
4.3.1	<b>Internal Audit</b> There is currently no internal audit function in place.	Minor	Director Corporate Services	<ul style="list-style-type: none"> <li>The Shire has engaged Moore Australia as its Internal Audit Service Provider.</li> <li>Engagement is for the three-year period commencing 1 July 2020 to 2023.</li> </ul>	Internal audit undertaken in December 2020. Report to March A&R	Complete
4.3.2	<b>Complaints Handling Procedure</b> Outdated Complaints Handling Procedure which require review.	Minor	Manager Governance	<ul style="list-style-type: none"> <li>Procedure to be developed.</li> <li>Online form available on website to be supported with the implementation of an electronic Customer Service Request system.</li> </ul>	July 2021	Online form and electronic Customer Service Request system have been implemented. Council adopted the reviewed Complaints Management Policy on 13 December 2022. A review of the Shire's internal procedure will commence in 2023/2024.



# Agenda Item 6.4 - Attachment 1

Internal Audit Roadmap 2023-2026





# INTERNAL AUDIT ROAD MAP 2023-2026

INTERNAL AUDITOR – SHIRE OF ASHBURTON

# SHIRE OF ASHBURTON

## INTERNAL AUDIT ROAD MAP

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# SHIRE OF ASHBURTON

## INTERNAL AUDIT ROAD MAP

**From: Internal Auditor Diluka Weerasingha CPA, Member of IIA Australia**

**To: Manager Governance, Director Corporate Services, ELT, CEO, ARMC and Council**

**Subject: Establishment of Effective Internal Audit Function for Shire of Ashburton**

**Date: March 2023**

### Internal Audit Function and Key Concepts

Thank you for the opportunity to work with Shire and I am excited to present below **Internal Audit Road Map (IARM)** for setting up **Effective Internal Audit Function**. I would also seek approval from an appropriate level for this IARM. I would like to explain important concepts in relation to Internal Audit as below:

#### Standards, Compliance and Best Practices

This IARM has been developed in compliance with International Professional Practice Framework (IPPF) of Institute of Internal Auditors International and Australia Chapter (IIA), relevant regulatory requirements for local governments in WA and Industry Best Practices. It has also considered the PD and updated organisational structure.

#### What are Internal Audit Standards?

For the conduct of its work, internal audit should be expected to conform to mandatory requirements contained in the International Professional Practices Framework (IPPF) issued by the IIA (International and Australia Chapter). This is mandatory for IIA members and for internal audit activities in some jurisdictions in Australia.

Mandatory requirements are:

- Core Principles.
- Definition of Internal Auditing.
- Code of Ethics.
- International Standards for the Professional Practice of Internal Auditing.





## SHIRE OF ASHBURTON

### INTERNAL AUDIT ROAD MAP

#### What are the core principles for internal audit?

- Demonstrates integrity.
- Demonstrates competence and due professional care.
- Is objective and free from undue influence (independent).
- Aligns with the strategies, objectives, and risks of the Organisation.
- Is appropriately positioned and adequately resourced.
- Demonstrates quality and continuous improvement.
- Communicates effectively.
- Provides risk-based assurance.
- Is insightful, proactive, and future-focused.
- Promotes Organisation's improvement.

#### Definition of Internal Audit

Internal Audit is defined by IIA as "Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes".

#### How Internal audit works can support the Shire?

- Reviewing Shire's achievement of objectives.
- Assessing if decisions are properly authorised.
- Evaluating the reliability and integrity of information.
- Ensuring assets are safeguarded.
- Assessing compliance with laws, regulations, policies and contracts.
- Considering the efficiency, effectiveness, economy and ethics of business activities.
- Reviewing opportunities for fraud and corruption.
- Following-up previous audits to assess if remedial action has been effectively implemented.
- Looking for better ways of doing things and sharing these insights with other areas within the Shire.

#### How can internal audit be independent?

Even though internal audit is part of Shire, reporting structures are put in place to allow it to operate without inappropriate interference. Independence could be:

- In fact; and
- by appearance.

The internal audit function is typically established by the authority of the board of directors in the corporate and not-for-profit sectors, or the organisation head in the public sector (secretary, director-general, or chief executive). Its responsibilities are defined in an Internal Audit Charter (IAC) which is approved by the Audit Committee. (Audit and Risk Management Committee)



## SHIRE OF ASHBURTON

### INTERNAL AUDIT ROAD MAP

The IAC is the mandate for internal audit to conduct its work and addresses, among others:

- (Independence and No Management Responsibility) The internal auditor will ensure that the internal audit function remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of audit selection, scope, procedures, frequency, timing, and report content. If the Internal Auditor determines that independence or objectivity may be impaired in fact or appearance, the details of impairment will be disclosed to appropriate parties.
- (Access to Information) State there is full, free, and unrestricted access to all records, data, personnel and assets at the time they are relevant for performance of internal audit work.
- (Access to Governing Body) Provide for free and unrestricted access to the chair of the Audit and Risk Management Committee and the Chief Executive Officer.
- Be structured in a manner so there is alignment to the Audit and Risk Management Committee terms of reference.

#### Is Internal Audit a Management function?

No. Internal Audit is an Assurance function to the governing body (Council through Audit and Risk Management Committee and CEO) about the effectiveness of risk management, control and governance processes that are managed by Management. Internal Audit is also a Consultancy function for governing body (Council through Audit and Risk Management Committee and CEO) and Management to get insight about effectiveness and improvement opportunities for continuous improvement of risk management, control and governance processes.

#### What is Internal Audit's role with fraud risk management per IIA?

Fraud is any illegal act characterised by deceit, concealment, or a violation of trust.

An Internal Auditor can not be the primary responsible for Fraud Risk Management and related activities as that is a management responsibility of maintaining effective fraud risk management controls in each process. Fraud Risk Management is a responsibility of the 1<sup>st</sup> line defence and a designation under management.

Internal auditors must have sufficient knowledge to evaluate the risk of fraud and the manner in which it is managed by the Shire, but are not expected to have the expertise of a person whose primary responsibility is detecting and investigating fraud.

Internal auditors evaluate risks, including fraud risk. Internal auditors can assist in the deterrence of fraud by examining and evaluating the adequacy and effectiveness of controls. They may also assist management to establish effective fraud prevention measures by assessing strengths and weaknesses of controls. They are well positioned to participate in the periodic review of the staff code of conduct, the board code of conduct, and the statement of business ethics covering third party service providers.

## SHIRE OF ASHBURTON

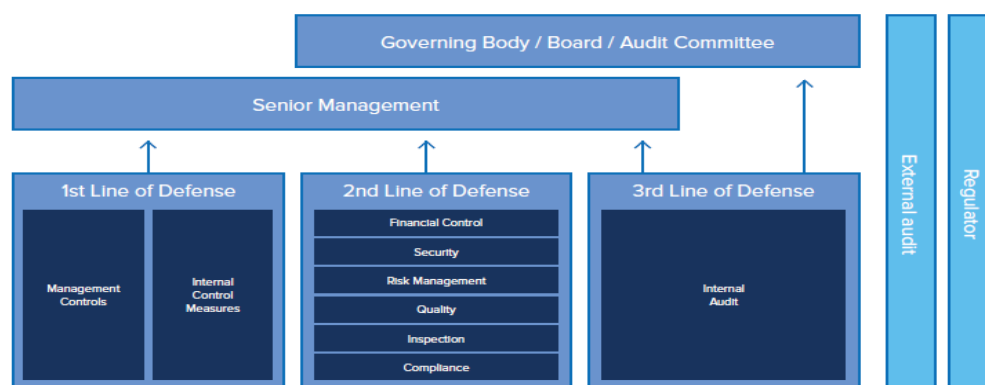
### INTERNAL AUDIT ROAD MAP

#### What is Internal Audit's role with Risk Management per IIA?

Risk management is a separate governance function to internal audit, with management responsible for implementing effective risk management strategies. Internal audit has a role to evaluate the effectiveness and contribute to improvement of the risk management process. Internal audit should ideally leverage the work of risk management, including use of the Shire's risk management process as the basis for its risk assessments and preparation of its risk-based plans. Risk ratings for recommendations contained in internal audit reports should use the Shire's risk management rating approach and align to the Shire's risk appetite statement.

#### How Internal Audit is Positioned in Governance Structure?

Internal audit is a cornerstone of good corporate governance in Shire and can play an important role in improving both financial and non-financial management and accountability. As shown in the 3 Lines of Defence model, internal audit is a key component in Shire's assurance structure. While all assurance mechanisms are important, coordination of the various assurance activities will provide a more holistic assurance environment in which internal audit features prominently. Internal audit can be a pivotal activity to provide assurance about the effective governance of Shire.



#### What is Internal Audit Functional Reporting and Administrative Reporting?

Internal audit administrative reporting generally focuses on the day-to-day activities of the internal auditor like reporting to work, provides appropriate interface and support, request for budget etc. Functional reporting focuses on the ultimate responsibility of the internal audit function which is the subject matter of this function.

Extract: [See reference on dlgsc.wa.gov](https://www.dlgsc.wa.gov)

“For local government, the internal auditor should report functionally to the audit committee and administratively to the CEO. It should be remembered that pursuant to section 5.41 of the Act, the CEO is responsible for the day-to-day management of council activities including the direction of staff and implicitly the internal audit function. The CEO may choose to delegate this responsibility provided always that the delegation does not directly or indirectly interfere with the ability of the Internal Auditor to conduct an internal audit function free from interference. ”

# SHIRE OF ASHBURTON

## INTERNAL AUDIT ROAD MAP

### Internal Audit Road Map 2023-2026 Work, Milestones and Pre-Requisites for Internal Audit

Road Map 2023-2026	Internal Audit Work and Milestones	Management, ARMC and Council Work and Pre-Requisites for IA
March-May 2023	<ol style="list-style-type: none"> <li>Understanding by studying information and arranging a series of meetings with directors, managers and process owners: <ul style="list-style-type: none"> <li>SWOT/ PEST factors affecting to Shire</li> <li>Identifying key stakeholders</li> <li>Level of achievement by now Strategic Community Plan</li> <li>Level of achievement/ compliance of Corporate Business Plan, Long Term Financial Plan, Workforce Plan, Assets Management Plan/s and Service Delivery Plans</li> <li>Governance structure, committees and TORs</li> <li>Frameworks, Policies and Procedures</li> <li>Organisational Structure and Position Descriptions</li> <li>Compliance, regulatory requirements and related Acts</li> <li>Major Projects and level of completion</li> <li>Major tenders and contracts</li> <li>Past audit issues, recommendations and implementation of agreed actions</li> </ul> </li> <li>Conduct ongoing internal audit log monitoring and conduct compliance Audit</li> <li>Consultation on risk Management, Fraud Risk and Process Improvements to management on request</li> </ol>	<ol style="list-style-type: none"> <li>Provide details and explanations in regard to understanding of internal Auditor on Shire and its processes</li> <li>Review and approve IARM and implementing pre-requisites at all stages</li> </ol>
	<b>Milestone</b> <ol style="list-style-type: none"> <li>Get approve IARM</li> <li>Develop <b><i>Business Understanding</i></b> document</li> </ol>	<b>Pre-Requisites for Internal Audit</b> <ol style="list-style-type: none"> <li>Provide corporation need for conducting Internal Audits</li> <li>Provide information and discussions</li> </ol>

# SHIRE OF ASHBURTON

## INTERNAL AUDIT ROAD MAP

Road Map 2023-2026	Internal Audit Work and Milestones	Management, ARMC and Council Work and Pre-Requisites for IA
	<ol style="list-style-type: none"> <li>3. Conduct and complete ongoing internal audits and compliance audits</li> <li>4. Provide consultations to management on request</li> </ol>	<ol style="list-style-type: none"> <li>3. Review and approve <b>IARM</b></li> </ol>
June-August 2023	<ol style="list-style-type: none"> <li>1. Establishment of <b>Internal Audit Charter (IAC)</b></li> <li>2. Develop 3 years <b>Strategic Internal Audit Plan (SIAP)</b> and Budget in align with Strategic Risk Register. (Please note this could include how the external professional firms will be used as co-sourcing/ outsourcing)</li> <li>3. Develop Internal Audit Program(s) objectives for 2023-2024</li> <li>4. Develop Compliance Audit Program(s) objectives for 2023-2024</li> <li>5. Conduct ongoing internal audit log monitoring and compliance audits - regulation 17 review and Financial Management Review</li> <li>6. Consultation on Risk Management, Fraud Risk and Process Improvements to management on request</li> </ol>	<ol style="list-style-type: none"> <li>1. Implement <b>Risk Management Framework ISO 31000</b></li> <li>2. Identify Strategic Risks in align with <b>Strategic Community Plan</b> and emerging Risks</li> <li>3. Analyse Strategic Risks and update <b>Strategic Risk Register</b></li> <li>4. Implement <b>Fraud Risk Management Framework</b> (Note: ISO 31000 Risk Management Framework has other risk management responsibilities which are not explained in this document E.g. Develop, implement and monitor Risk Treatment Plan)</li> </ol>
	<b>Milestones</b> <ol style="list-style-type: none"> <li>1. Get approved <b>Internal Audit Charter (IAC)</b></li> <li>2. Get approved <b>Strategic Internal Audit Plan (SIAP) and Budget</b></li> <li>3. Conduct and Complete ongoing Internal Audits, Reviews and Compliance Audits - Regulation 17 Review and Financial Management Review</li> <li>4. Provide consultations to management on request</li> <li>5. Conduct annual Internal Audit Function's performance review (Internal)</li> </ol>	<b>Pre-Requisites for Internal Audit</b> <ol style="list-style-type: none"> <li>1. Provide corporation need for conducting Internal Audits</li> <li>2. Develop and update <b>Strategic Risk Register</b></li> <li>3. Approve Internal Audit Charter</li> <li>4. Approve Strategic Internal Audit Plan and Budget</li> </ol>
Sep 2023-June 2024  <b>AND</b>	<ol style="list-style-type: none"> <li>1. Develop/ Update <b>Operational Risk and Control Metrix (RACM)</b> in align with Operational Risk Register</li> <li>2. Consultation on Risk Management, Fraud Risk and Process</li> </ol>	<ol style="list-style-type: none"> <li>1. <b>Develop/ Update Operational Risk Registers</b> for each function/ department or process in align with Strategic Risk Register</li> </ol>



## SHIRE OF ASHBURTON

### INTERNAL AUDIT ROAD MAP

Road Map 2023-2026	Internal Audit Work and Milestones	Management, ARMC and Council Work and Pre-Requisites for IA
Thereafter each year FY July to June till 2025-2026	<p>Improvements to management on Request</p> <ol style="list-style-type: none"> <li>3. Conduct risk management and fraud risk review</li> <li>4. Conduct internal audits per approved Strategic Internal Audit Plan</li> <li>5. Review Strategic Internal Audit Plan each year end with Strategic Risk Register and Report CEO and ARMC (and Council through ARMC) about Independence, Internal Audit Charter, achievement of Strategic Internal Audit Plan and Changes to be made.</li> </ol>	<ol style="list-style-type: none"> <li>2. Review and Approve changes required to Strategic Internal Audit Plan, Internal Audit Charter and recommend to ARMC (and Council through ARMC) for adoption</li> </ol>
	<p><b>Milestones</b></p> <ol style="list-style-type: none"> <li>1. Develop/ Update Operational Risk and Control Metrix (RACM)</li> <li>2. Completion of internal audits per Strategic Internal Audit Plan</li> <li>3. Provide consultations to management on request</li> <li>4. Conduct annual internal audit function's performance review (Internal)</li> <li>5. Report CEO and ARMC (and Council through ARMC) about Independence, Internal Audit Charter, achievement of Strategic Internal Audit Plan and Changes to be made.</li> </ol>	<p><b>Pre-Requisites for Internal Audit</b></p> <ol style="list-style-type: none"> <li>1. Provide corporation need for conducting Internal Audits</li> <li>2. Keep updated Strategic Risk Register</li> <li>3. Keep updated Operational Risk Registers</li> <li>4. Review and approve changes needed to Strategic Internal Audit Plan, Internal Audit Charter and recommend to ARMC (and Council through ARMC) for adoption</li> </ol>

**“Auditor is a **Watchdog**, not a Bloodhound”**

*Judgment of the Courts in Kingston Cotton Mills by Lord Justice Lopes*

**Thank You!**